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HOW CAN LUXURY INTERIOR DESIGN BRANDS GROW THROUGH DIGITAL – THE CASE OF COVET GROUP AND THE LAUNCH OF HOME'SOCIETY PLATFORM

The Analysis of Made in Portugal Brand Positioning For Home'Society

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Abstract

This project examines the viability of a proposed online marketplace for a Portuguese Interior Design company. The proposed paper consists of both a group and an individual part. In the group part, qualitative research was conducted to understand how Professionals and Final Consumers interact and what adherence to the marketplace would look like. In the individual parts the thesis' authors individually examined in-depth some implication that arose from the qualitative analysis: (1) which strategy should the marketplace follow, (2) how to engage both targets to the platform, (3) and the relevance of the Made-in Portugal brand within the platform.

Keywords: Luxury Interior Design, Covet Group, Interior Design Marketplace, Portuguese Furniture, Portuguese Interior Design

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I. PART: Group part

Introduction

Nowadays, online has become an essential tool, if not essential to the success of the business itself. Even companies that fail to develop their own online platform, end up allying themselves with third-party companies that can help them in this regard (McKinsey & Company, 2020) and Covet Group, a Portuguese holding dedicated to the production of Luxury furniture, is no exception.

Covet Group, which wishes to **elevate Portuguese Design and Craftmanship worldwide** (Covet website, 2020), challenged us to infer the **viability of launching a marketplace** called **Home'Society** (HS). In this work project, we will be analysing "How can Luxury Interior Design brands grow through digital – the case of Covet Group and the launch of Home'Society platform."

Therefore, to gain some insights regarding the Luxury Interior Design sector, its strategies, challenges and trends, secondary research was conducted. Primary research was then carried out to have a better understanding of the sector's stakeholders**: Interior Design Professionals** and **Final Consumers**, as well as their motivations. In specific, we were trying to infer how Interior Designers and consumers interact, what the decision journey looks like, which factors are taking into consideration when purchasing a piece of furniture, especially if the country of origin and craftmanship have any kind of influence over the purchase decision.

Moreover, some preliminary ideas for HS features were created and were then tested among the respondents. After conducting semi-structured in-depth interviews, we concluded that, although a platform like HS would be, overall, well-accepted, some challenges would need to be taken into consideration. First of all, we noticed a general poor image of the "Made-In Portugal" stamp, which could potentially harm the overall adherence of the platform. Therefore, a decision on HS's positioning and strategy should be devised. Last but not least, the platform needs to be efficiently communicated to its respective targets, thus a roadmap to launch and a communication plan should be outlined.

1. Contextual Background: Covet Group

a. Company Overview

The history of Covet Group begins in 2003 when the then Menina Design Group was created by Amândio Pereira and Ricardo Magalhães, two newly graduated Designers. The company was founded upon the values of **creativity**, **innovation** and **competitiveness**, as well as the **passion for Design** that they both shared (Covet data, 2020). The core of the company was to design Portuguese interior furniture, with a strong component of craftsmanship and innovation, which would help them create a global brand. Having this in mind, in 2004, the first brand was born: Boca Do Lobo, a brand of interior furniture with a modern-contemporary design, followed by Preggo, their production factory brand with high-qualified craftsmanship that will make any custom project come true through carpentry.

The business portfolio is organized in five main areas: (1) Industry, (2) Media, (3) Retail, (4) Brand & Design Management, and (5) Luxury Brands, which is the core of the group (Appendix 1). In Luxury Brands we can find a variety of Interior Design brands from different styles and product categories. *Boca do Lobo, Delightfull, Brabbu, Maison Valentina, Luxxu, Circu, Essential Home, Pullcast, Rug'Society, Caffe Latte* are some of the most well-known brands from the group. The group approaches innovation by using strategic design thinking and leveraging it through Marketing, which led them to have an extensive business portfolio that it has today. The constant evolution of the portfolio created the need for a rebranding of the group, which was reborn as The Covet Group in 2017, always having in mind the mission of **elevating Portuguese Design and Craftmanship worldwide**.

The Company business model comprises business towards: (1) B2B, Interior Designers, Architects, Hotels and Restaurants; and (2) B2C, the Final Consumer. Although B2B is the predominant model, the Final Consumer still plays an important role within the clientele portfolio, since this segment has been continuously growing in the last few years (fact provided by DF team although it was not possible to get physical data).

Although the headquarters and production are in the north of Portugal, Covet Group is present worldwide through international tradeshows, showrooms and a strong digital and e-commerce presence. Covet strongest markets are the USA, UK and France nevertheless efforts are being made to conquer new markets like the northern European countries and reinforce their presence to compete with Italian dominance in the marketplace (Covet data, 2020).

b. Design Forces

The current project was handed by the Design Forces (DF) team, a Covet subdivision that is responsible for the Luxury brands Brabbu, Maison Valentina (MV) and Rug'Society. Managed under the same CEO and marketing team, DF is responsible for everything related to these three brands from the Design until the product launch.

With nine years of age, **Brabbu** is the oldest of the three brands, known for its diversity of styles and high-end room-by-room product designs (for all interior divisions). Brabbu "*reflects an intense way of living*" (Brabbu website, 2020), which is in line with its core values: strength, resilience, memories and nature in its purest state. Differently from other brands of the group, Brabbu offers products in all kinds of design styles: modern, contemporary, classic, eclectic and mid-century. Although this brand offers a wide variety of product categories, Upholstery, Lightning to Rugs and Softgoods, Casegoods (tables, sofas, sideboards and so forth) are at the core of the brand (Brabbu presentation, 2020). Overall, Brabbu's price range varies depending on the category, but it can reach a maximum of €20,000, mainly when products are customized. Moreover, all products are carefully designed and handcrafted in-house, in which the Design and Production departments are permanently allied to avoid any deviate from the design to the final product.

The DF's second brand, **Maison Valentina**, was born out of a market need to end typical bathrooms, making them a space with more character and life. This need arose from the fact that people started to have a greater concern with self-care and complain about a "me time", which would allow them to have a comfortable, relaxing space that could reflect greater luxury. Having this in mind, MV aims to create a much more intimate space that invokes self-care awareness, bringing life and high-end design to bathrooms (MV presentation, 2020). The brand's main focus is master, main and guest bathrooms as well as other extensions such as walk-in closets and dressing rooms. In terms of product categories, MV has in its portfolio case goods - washbasins, bathtubs - and soft goods - taps, surfaces and specific accessories. The brand counts with seven different collections, some of which are internal partnerships to complete its offer by adding lighting, rugs and upholstery to its catalogue, and all of them can be customized. The price range may reach €20.000. Compared to Brabbu, the complexity of the pieces is greater, requiring even more rigorous monitoring, which translates into a longer lead-time.

Rug'Society resulted from the need to highlight the rugs within the group's portfolio. Other brands within the group had already carpets in their portfolio however, the adhesion to them was not meeting expectations. Hence the need for a carpet brand gained even more emphasis for DF. Rug'Society is a niche brand to help customers find the perfect rug. What makes Rug'Society stand out from its competitors, among others, is not only the strong graphic design, but also the diversity and originality of its styles. Although the Design is made entirely in-house, the production itself is outsourced to other Portuguese manufacturers. Concerning the lead time, the brand stands out since it has the smallest one when compared to Brabbu and Maison Valentina. The production processes adopted are hand-knotted and hand-tufting (machine supported) and the customization in terms of sizes and patterns is very frequent for this type of product. The price point starts at 4,000€ but it varies a lot according to the size and other customization options.

c. Business Model and Objectives

To what concerns DF's business model, it is divided into **Residential Design** and **Contract**. The **Residential Design** comprises all residential projects where the client might be Interior Designers/Architects/Decorators or Final Consumers. The **Contract** business model focuses more on commercial projects for Hotels/ Restaurants and Bars in which clients buy in larger quantities. The RRP (recommended retail price) differs within the different types of consumers, meaning that Interior Designers and the Contract clients have considerable discount rates in comparison to the final consumers. Currently, the **Residential Design** represents 90% of DF's total sales and the Contract only 10% (data provided by the DF's Marketing responsible) (Appendix 2). Though, Residential and Contract can overlap in the sense that one cannot be sure for which purpose the purchase was (for a residence or a hotel, restaurant). Therefore, when an Interior Designer buys a product for his showroom, it is not possible to infer if the product will end up in a Residential or a Contract project. In this sense, the Contract might be bigger than expected, however DF´s team is not able to measure it precisely.

Furthermore, DF believes that its value proposition lays in its personalization options (Multiple Customization and Bespoke). **Multiple Customization** is available for all products of each collection since there are several colours, fabrics and finishes that the customer can combine as he/she wishes. The **Bespoke** option enables the client to choose the Design from scratch, meaning that this Design is created exclusively for this purpose and does not belong to the brands' product portfolio. DF follows the overall mission of the company (to elevate the Portuguese Design and Craftmanship worldwide), thus all brands, except for Rug'Society, are handcrafted in Portugal and most of the raw material is produced locally.

Regarding the financial objectives, DF expects to reach €10 million of revenue by 2025. Currently, DF has already reached out €6 million of revenue, thus if by 2025 DF attains its objective, it will be translated into a growth of 66,7% (nominal). Concerning more strategic goals, DF intends to **respond to the growing demand from final consumers, through the development of a platform that can meet their needs.** Furthermore, DF intends to increase not only brand awareness, but also to make its products more accessible worldwide. Moreover, the group hopes to make-up for the losses arising from the COVID-19 pandemic. Although Covet Group has already Covet House which is a compilation of all brands under the same website, DF aims to go a step further by creating an online platform where external brands could also be present to increase the exposure of DF brands worldwide. Moreover, the focus on customer service/experience will be enhanced with a Membership program for regular and former clients. Finally, this division felt the need to be physically represented, thus a new showroom in its headquarters is currently in process. Additionally, a new brand, more focused on the minimalist style, will be launched to tackle the Nordic markets very soon.

d. Home'Society Project Overview

Bearing in mind DF's desire to fulfil the existing demand from final consumers and to compensate for the losses caused by the lockdown, the company decided to develop an online platform in the format of a marketplace. Home'Society (HS) will be a portal for connoisseurs, Final consumers and Professionals, that share a passion for Interior Design and home decoration. The marketplace will offer a wide range of products within the modern-contemporary style. Although this marketplace will be developed by DF, other brands from Covet Group will be also distributed, if their products fit into the same price range and style. Moreover, external brands could also be present in HS by applying through the form that will be available on the platform. Once this application is complete, the marketing department will carefully revise it to guarantee that it has the right characteristics in terms of price and style, as well as make sure that the presence of this brand on the platform will not cannibalize other brand's sales. In parallel to this platform, DF also wants to launch a brand focused on Arts and that will be exclusively distributed in HS.

The vision for this marketplace is to create a space, where professionals or just final consumers can come to purchase luxury furniture and decoration items all at once without having to consult other websites. The goal is also for it to serve as a community of people who share a passion for Interior Design.

2. Addressing the thesis topic

a. E-Commerce in the Luxury Interior Design Sector

For the proposed project of launching a marketplace, secondary research was conducted to gain more insights into the sector of luxury interior design. The goal was to understand what is being done in terms of online strategies, analysing the digital presence of some of the biggest names in this sector. For this purpose, a competitive benchmark was conducted, where Brabbu's online strategy was compared with 9 competitors – Minotti, Flos, Cassina, Fendi Casa, Gubi, Roche Bobois, Baxter, B&B Italia and Restoration Hardware (RH).

The presence in **social media** such as Instagram, Facebook, LinkedIn and Pinterest were analysed in terms of followers, type of presence (only informative or commercial purposes), the information provided and the post frequency (Appendix 3). Moreover, **digital channels** such as own-brand websites and marketplaces (Incollect, 1stdibs, Eporta and Amazon) were evaluated. Here, once again, the purpose was to infer in which platforms the 10 mentioned brands above are present, analysing in further detail the type of presence and information provided in each channel (Appendix 4).

Regarding the **own brand websites,** one can immediately notice that each brand has its own website. Although this is true, only some choose to sell directly on the website, while others provide information on where the customer can physically purchase the product, as it is the case of Cassina, Fendi Casa, Baxter and B&B Italia. Generally, the product is presented alongside the following information: Image, Price (Up to request), detailed description, video, customization option (fabric, materials, finishing) and Technical files, such as detailed dimensions, 2D and 3D files. RH provides additional information such as stock availability, estimated delivery cost and time and returns policy. Flos, for instance, besides offering the possibility to purchase the product directly through its website, also gives the customer the possibility to purchase it in person, by offering the "*where to buy*" option. With this option, the client is able to find shops in the desired location that have the current product in stock.

When analysing the **brands' social media**, one can immediately notice that **Instagram** is the social media in which the evaluated Luxury furniture brands account for more followers (total of 2.575 million followers). Instagram, a constantly adapting platform, has currently 5 ways of posting contents that its users can take advantage of: Posts, Stories (only available for 24h), Reels (short videos of 30 seconds), IGTV (longer videos, up to hours), and the most recent added feature Guides, where users can post text contents such as blog diaries (Instagram, 2020). Moreover, this social media offers a shopping feature to commercial accounts, with which they can tag the price of commercial products present in the posted image. Currently, **Brabbu** is the brand that takes more advantage of the Instagram features, posting regular posts, reels and IGTVs. All other brands, except for Fendi Casa and RH that are not present in this social media, only post image contents and IGTV videos. As for the shopping feature, only Brabbu and Gubi provide the price tag in their posts, allowing their followers to be redirected to the website in which they can purchase the item. Apart from those two accounts, all the others serve only as informative accounts. As for the frequency of posts, these vary between daily posts to weekly posts. No clear correlation was found between post frequency and the number of followers ($r = -0.16$). **Facebook** is the second social media platform where the studied brands have more followers, having a total of 537,1 thousand followers combined. In comparison to Instagram, Facebook allows more diverse tools of information disclosure, as, besides images and videos, some brands also tend to post news and articles about the company and the sector. Regarding the frequency of posting, one can say that it is more spaced out over the week, posting only 1 to 3 times per week. Most of the brands use this social media as a vehicle to share information, except for Gubi, which bets on direct sales via Facebook. Roche Bobois, Fendi Casa and RH are the only ones from the analysed set of brands that do not have a page on Facebook. **Pinterest** is a social media in which visual contents are shared alongside a direct link to the blog post or website where the user can infer more information or shop that product. Home décor and Interior Design are one of the strongest categories, and therefore Pinterest is crucial social media for furniture and Interior Design brands (AJ Agrawal, 2016). Since the launch of the feature of the shoppable pins, and until the moment this research was conducted, only Gubi and Flos are taking advantage of this feature, showcasing their products alongside a price tag and stock availability. All the others, except for Baxter, Fendi Casa and RH that do not have an account on this platform, use Pinterest mainly as an informative and inspirational tool. As the post date is not accessible to its users, the post frequency could not be evaluated. The last social media analysed was **LinkedIn**, a networking tool for professionals. As expected, all brands are present, except for Fendi Casa. In this networking social media, the content shared is usually new releases, testimonials, news articles, blog posts and recruitment posts, serving as an only informative tool. The post frequency is lower when compared to Instagram and Facebook, posting on average 1 to 2 times per week. It should be noticed that RH is the brand with more followers on LinkedIn however, it has no posts at all.

Overall, the brand message and tone of voice in LinkedIn is more directed towards professionals, while Instagram, Pinterest and Facebook are equally relevant for both targets – Professionals and Final Consumers. Most studied brands have a similar social media strategy, being the only outliers Fendi Casa and RH. Fendi Casa has no presence at all in any social media and RH is only present on LinkedIn however, it has never posted anything on its profile. As for RH, this strategy is justified by the fact that the company believes its value lays on what they do and not what they say they do, as chairman and executive officer of RH, Gary Friedman, explained (Petersen, 2019). These brands bet on ignoring social media as a communication strategy, positioning themselves as brands that do not need to be communicated.

Next, **multi-brand marketplaces** with a greater focus on Interior Design and furniture were analysed. Starting with **Incollect**, a marketplace that focuses on the sale of more exclusive products from the 18^{th} to the 21^{st} century, this platform sells its products through a bidding system. Besides Luxury furniture, this platform also offers Fines Arts, Decorative Arts and Jewellery. The information provided is the same for each furniture product: Image, Price (in this case the lowest offer), Description, Seller, Country of origin, Material and Dimensions. Although brands themselves do not sell directly on this platform, most brands can be found through resellers such as antique stores and other multi-brands furniture stores. The products range from new products to second-hand products, in this second case, information regarding the condition of the good sold is available to the consumer. The only brands that are not sold on this platform are Brabbu and RH. **1stdibs**, on the other hand, offers a wider product portfolio, as besides furniture it also sells Arts, Jewellery & Watches and Fashion items. According to Forbes, this is one of the most popular marketplaces for furniture shopping, as it has almost everything one can look for (Carter, 2019). As consequence, all brands are present on this platform, where they sell directly to the consumer or professional. **Eporta** is the leading marketplace for professionals, connecting Interior Designers, Property Developers and Architects with suppliers all over the world (Eporta, 2020). The product portfolio is narrower than the previous ones, offering only furniture and textiles brands. From the studied brands only Brabbu, Flos and Gubi are present in this marketplace.

Although there are still no Luxury furniture brands present in Amazon, DF is interested in investing in this platform in the near future and therefore we will further analyse the viability this distribution channel. With the growth of luxury e-commerce, accelerated by the most recent Covid-19 pandemic, Amazon finally saw an opportunity to enter the Luxury sector and on September 15 launched their Luxury Stores, a Luxury multi-brand online store, with invite-only access. Now, Luxury brands are analysing the pros and cons of distributing in this new online store. The topic of conflict for Luxury brands is, and it will always be, the trade-off between accessibility and exclusivity, which makes Luxury brands questioning the upper side for selling through Amazon. On the other hand, Amazon is the dominant marketplace, leading the e-commerce market with a 38% market share (eMarketer, 2020), and with the launch of Luxury Stores, Amazon is now able to offer a unique set of innovative tools to Luxury brands. According to Forbes, Amazon plans on further developing their customer experience through ground-breaking technology and the use of customer reviews, creating a more exclusive and sensorial shopping experience. Moreover, it will provide brands with a clean database. Furthermore, brands have the freedom to fully design their virtual shop and decide on assortment, inventory, pricing, customer service and other related topics. Amazon's merchanting tools make it possible for each Luxury brand to have a unique look and storytelling (Light, 2020).

Looking at the overall insights regarding the digital channels, we can conclude that HS would have already some established marketplaces to compete with, and possible new threats such as Amazon Luxury Stores. We see a growing tendency of an omnichannel presence in this sector, probably accelerated by the 2020 lockdown and closure of a big number of brick-and-mortar type of stores.

b. Preliminary Home'Society Model

Based on the project's briefing given by DF in parallel with the new insights gathered from the secondary research, the group was able to model what HS should be like. Our idea for this project is to create a platform that not only understands but also meets current market trends and needs, combining value-added tools for the user. In order for HS to be considered by the Consumer, it has to have some points of parity with its competitors. Therefore, HS should offer similar tools to the ones Covet House (Covet's multi-brand e-commerce) already offers such as the Interior Designer service option, the *customer support* throughout the purchase experience as well as the option to fully customize the products, nevertheless points of differences need to be established. Having this in mind, the thesis' group thought of some additional features, which could make HS stand out from the rest of its competitors, mainly (1) a sorting feature, (2) explanatory video, (3) Photo Scan, (4) Community Space, (5) Augmented Reality.

The reality of the current consumer, concerning the purchase process, requires simplicity, speed and clarity, which is why an effective sorting tool is crucial. This tool would be in a format of a pop-up, in which the user would select the type of product he/she was looking for and for which house division it would be, redirecting the client to the platform's section in which he/she could find that type of product.

For Covet to show the real value and effort that is behind each piece, an explanatory video should be developed. This video would expose the entire process, from the design draft to the finished product, allowing the client to perceive the real value of the piece and its uniqueness. Still following this reality, the photo scan search tool emerged. This works as a facilitator, as it allows the user to upload a photo that has been taken or found in an inspiration channel, and automatically look-a-like products are suggested so that it can easily reach out the product the client was looking for. The current consumer is also distinguished by his active voice in society, which led to the idea of creating a community space within the platform, where professionals and connoisseurs of this industry could share their testimonials, attend podcasts and live sessions among Designers. Besides this, and given the unique nature of the client in question, they can benefit from a membership program, which allows them to access to pre-order of limited collections and secret sales, invitations for exclusive events and Masterclasses with well-known professionals of this area. And finally, the last tool, augmented reality, aims to bridge and facilitate the online shopping process, allowing the customer to simulate the presence of an object in a respective space, to understand if it fits and thus make the best decision.

All features are thought to target the needs of both, professional and consumers, to the exception of the augmented reality and the Interior Design service, which will only add value to the final consumer. Therefore, two different consumer journeys (one for B2B and one for B2C) within the same website should be established, in which the two mention features are only available for the users who identify themselves as final consumers.

c. Research Methodology & Sample

In addition to the secondary research previously conducted and presented in the previous section, the group required to conduct further research to assess the viability of the project. For this purpose, primary research was performed during November. The main objective of this research was to present the project as a concept board to its main targets (Interior Design Professionals and Luxury Furniture Final Consumers) to test their adherence and usage rate towards this platform, as requested by the company. Moreover, we took the opportunity to try and access consumer behaviours as well as to search for patterns in their behaviours.

The study was divided into two research groups: Professionals (B2B) and Final Consumers (B2C). The research method used for both target groups was semi-structured in-depth interviews, although for the second research group (Final Consumer), a pre-recruiting questionnaire was previously done to get a viable sample to interview. This method is used mainly to gain insights into the underlying motivations and attitudes. The Interviews were conducted through a video-call and had a duration of 45-60 minutes. To simplify the analysis of the research, all interviews were recorded and transcribed into a content grid.

Semi-structured In-Depth Interviews with Professionals: In order to access the use of this platform for the professionals, we first needed to understand their way of working as well as their behaviours towards purchase channels. Therefore, the interview was subdivided into five sections, in which the first four explored the professionals' behaviours and attitudes: decision journey, brand interaction and recommendations, the attitude towards the Made-In and the purchasing channels (see interview guide for professionals in appendix 5). In the fifth section, the project was presented to the respondent in the format of a concept board with the aid of images, videos as well as a verbal explanation of the platform and its possible features. The goal of the concept testing is to access the added value of the platform to the respondent's professional life as well as to infer about possible drawbacks and improvement opportunities. The group reached out professionals in this area, such as Interior Designers and Product Designers, mostly through LinkedIn and similar networking platforms.

In total 18 professionals were interviewed, from which 11 were Portuguese and 7 non-Portuguese residents. The majority of the respondents (12 out of 18) found themselves in the age range of 45 to 64 and most were female respondents. Moreover, only 2 out of 18 were working for a company, the other 16 respondents either worked independently or had their interior designer atelier. Regarding the type of projects, they worked on, one can conclude that most respondents (12 out of 18) work on residential as well as commercial projects, having 3 to 40 projects per year - depending on the type of project. Moreover, we got a wide geographical distribution of projects, making the respondents familiar with a variety of markets - Europe, Africa, Asia and America (Appendix 6).

Semi-structured In-Depth Interviews with Final Consumers: The second target group of this research was the Luxury Interior Design final consumer and to screen out the best candidates for the interviews, an online pre-recruiting questionnaire was conducted and shared among our network. As a result, we got 159 responses, but after applying the filters (see prerecruitment questionnaire in appendix 7) we got to a final sample of 40 respondents, that (1) had purchased a Luxury furniture item at least once during the last 5 years and (2) were medium to highly involved in the purchase decision. From those 40 respondents, we then chose 17 to interview based on the availability of the respondent. The objectives of the research were the same as for the first target and, therefore, the Semi-structured In-depth Interview was like the one for the professionals (Appendix 8). However, in the concept testing, two additional features were presented, as these were thought to only attend to final consumer needs. Our sample had mostly men (11 out of 17), between 23 to 64 years old and were living in a family household. Additionally, 10 out of the 17 respondents were non-Portuguese residents. Although we had respondents from all ages, [25 – 34] and [55 – 64] where the age ranges with most evidence (10 out of 17) (Appendix 9).

d. Findings: Professionals

Based on the primary research, the group was able to find key findings regarding the way the professionals interviewed interact with their clients, how they recommend brands and their preferences in terms of brands. Moreover, the group also collected useful information regarding the purchase and research channels. The last part of this analysis will cover findings concerning the concept test where professionals were invited to express their opinions.

Regarding the first contact with new furniture brands, some professionals assumed that it is very common to know brands through customers, as these sometimes have special requirements on which brands should be incorporated in the project. When the client does not have a specific idea of brands, professionals have more freedom to choose the ones they think fit the project the most which belong to their consideration set.

"There are some brands that I am contacting for the first time because the client requested, others are already part of our portfolio of suppliers" (F, Portugal, Interior Designer, 3 years of experience)

After having the first contact with brands, the **Selection Criteria** of brands for each project are based mainly on the Design (11 out of 18 respondents) and Quality (9 out of 18 respondents) delivered. Nevertheless, a strong and reliable business structure is also valued by professionals, since they fear working with a brand that shows low performance, as it might mean that products arrive with delays and low quality. In this sense, the capacity to deliver all products on time impacts a lot the brand image, since Interior Designers usually have tight deadlines to comply, so they prioritize brands that have great internal capabilities.

"If you do not have a well-structured business behind it does not help me to have a good design because afterwards the pieces arrive late or do not correspond to what I ordered (...) the luxury factor for me is the product arriving on time and under the conditions the customer requested." (F, Portugal, Interior and Product Designer, 35 years of experience)

Aligned with what we have explained above, professionals also search for functional products. The design is very important, still, products must deliver the function part as they are used daily. Moreover, the selection criteria comprise also the price. As expected in this sector, all projects have a limited budget and an overall style to meet, so both price and style are also important factors to consider when choosing brands to furnish a project.

Bearing in mind the selection criteria, usually professionals tend to **recommend brands** to their clients unless: (1) they are also Product Designers and, in this case, they create bespoke options for the purposed project, i.e., they prioritize their pieces and only recommend external brands for finishing purposes as decoration and accessories; (2) they have their own brands or represent other furniture brands in their showrooms, thus these professionals usually recommend their brands first and other brands only when it is necessary to complement the project.

"We have a very special way of working, because we try to make it a very personalized design, suitable for the client, which is why we design most of the products." (F, Portugal, Interior and Product Designer, 14 years of experience)

"Normally we tend to recommend the brands that we have in-store because we represent some." (F, Portugal, Interior Designer, 2 years of experience)

Most of the professionals who recommend brands, usually work with a fixed set of brands which they regularly recommend to their clients, although they like to be permanently updated and aware of new brands. Since they trust the brands they work with and they know exactly how they perform, it is always insurance for them to recommend those brands to their clients. In terms of **Partnerships**, professionals claimed that there are some established agreements between them and brands, so the price differs according to three different aspects: the type of client they are, the frequency of purchase and the volume of purchase per year.

Regarding the Purchase Decider, meaning the person who finally decides which brands projects should have, depends on two factors: (1) the type of project- Residential or Commercial; and (2) the type of consumer- high and low involvement. By high-involvement consumers we mean, the ones that interact a lot with the Interior Designer throughout the process and so his/her decisions impact the project direction. Contrary, the low-involvement consumer barely cooperates with the Professional and only gives his/her opinion when necessary. In this last case, the name given for this type of projects is *turnkey projects* (*"It depends on the type of contract: If it is a turnkey project, then we are the ones who do all the negotiation with the brands, factories and labour."* (M, Italy, Interior Designer, 32 years of experience)). In general, when projects are for Commercial purposes, professionals tend to have more freedom of choice than in residential ones. Bearing this in mind, each case is one case, so professionals might have higher or low Purchase Decision power, depending always on the type of customer and project they are working with.

When asked about the **main challenges** they face in their daily professional life, two major topics arose: (1) challenges triggered by dealing with the client; and (2) challenges that are directly related to the sector itself. On the side of dealing with the client, professionals (9 out of 18 respondents) explained that usually customers set specific goals and requirements such as tight deadlines or when they ask for some products that do not fit the overall project concept and style. In this case, professionals must overcome these challenges to deliver what the customer wants. Besides this, 6 out of 18 professionals also have some concerns in terms of meeting client's expectations within the available budget. Interviewees highlighted that this is very common to happen because customers have a limited budget, but, at the same time, they require expensive products. In this case, the style, the available budget and chosen products are variables that depend on each other.

"Sometimes the customer really likes a piece, but it is extremely expensive, so he asks you to look for something identical in the market but at a lower price. Sometimes it's a challenge, because we are talking about completely different pieces. In other words, the biggest challenge is to be able to satisfy the customer within the imposed budget." (F, Portugal, Interior Designer, 3 years of experience)

Finally, professionals (2 out of 18 respondents) also felt that it is not always easy to gain their clients trust, especially in the case of young Designers who are starting their career. This is seen as a challenge, since the lack of trust limits to some part the designer's freedom to create projects. Gaining the trust of clients is a process that could take years and as visibility of the Designer increases, the less of a challenge this becomes.

On the <u>side of the sector</u>, some challenges linked to shipping issues were discussed. For those professionals who work in the USA, Dubai and in Angola, 3 out of 18 respondents found some boundaries working with specific brands due to the high cost of shipping. These professionals even assumed that, in some countries, there are only a few options of brands they can work with, because if they import products the shipping price is more expensive than the product itself. So, they end up being restricted to what they have available in those countries and consequently they cannot work with more foreign brands. Even for projects in Europe, professionals explained that the shipping process tends to be expensive when they import from other Continents and it also takes longer. Therefore, they have to manage it very efficiently to fulfil the budget and all deadlines.

"I really like to use brands from USA, but the majority of them, when arrive in Portugal, prices are too high." (F, Portugal, Interior Designer, 15 years of experience)

Moreover, the scarcity of qualified handcrafted was also pointed out as a challenge from 4 out of 18 interviewees, because nowadays it is quite hard to collaborate with artisans, as this heritage has been lost over the past few years. This insight was specially revealed by Portuguese professionals, that used to work with craftsmen in the past.

"There is a new challenge, these days, which is the workforce. Those old people who did artisan work on wood are now more too difficult to find. So, all these handcrafts, which we Portuguese used to purchase and that were known all over the world, are falling behind, especially here in the north." (F, Portugal, Interior Designer, 30 years of experience)

Regarding **brands** that were brought up during the interview, the Italians were the most mentioned. Not only do professionals perceive Italian brands as having higher quality and stronger Design, but their clients also tend to demand Italian brands due to their reputation. Besides this, overall professionals prefer to work with local brands, meaning brands that are produced in the same country as the project in hand, as it facilitates the purchasing process and minimizes shipping constraints.

"Everything that is residential is much more focused in Portugal, in terms of suppliers we use a lot more Portuguese carpentry, textile suppliers, because we need many tailored-made products and therefore it's beneficial to be close to the suppliers." (F, Portugal, Interior Designer, 3 years of experience).

Considering the orientation for the **origin of the product/brand**, opinions are divided. On the one hand, more than a half of the professionals, meaning 11 out of 18 respondents, take it into consideration as it might reflect the quality of the product. Some interviewees went a step further and turned crystal clear the prejudice against some countries like China. For them, some Asian countries are not associated with good quality. Moreover, as previously mentioned, they tend to prefer suppliers who are near the region of the project due to the easiness of doing business. On the other hand, there were some respondents (7 out of 18 respondents) who did not assume an Origin-orientation as their decision is based rather on the quality of the product or brand.

Still within the topic of the Made-in, Italy and France were the countries that professionals tend to associate with the **best design**. These two were the most mentioned due to not only the consistent leadership the market for so many years, but also because they are two huge references in terms of originality, expertise and creativity for the interviewed professionals. Besides these two, other countries were also pointed out such as United Kingdom, Portugal and Nordic Countries.

*"For me, Italy is a huge reference because they have a History since the 70's and they have conquered a reputation due to their expertise and experience. The second reference for me is France because is traditional and rich." (*M, USA, Architect and Product Designer, 20 years of experience)

Now diving deeper into the **Associations with the Portuguese Interior Design** and, to be clearer and more concise, findings will be explained having the point of view from Portuguese respondents firstly and then from the non-Portuguese respondents. Portuguese interviewees (11 out of 18 respondents) tend to associate Portuguese Interior Design with the great talent of artisans and specific products like cork, handmade tiles, ceramics and wood. Moreover, the same sample assumed to associate it with specific brands, such as Vista Alegre, Viúva de Lamego and Casa do Passadiço.

"When I talk about Portuguese design, there are always 2 things I remember: cork and wood. It is these two materials that come to mind." (F, Portugal, Interior Designer, 22 years of experience)

Nevertheless, Portuguese respondents associated the Portuguese Interior Design with low visibility among other countries, due to its weak communication in external markets. Furthermore, it was also shared that Portuguese brands and talents tend to be more valued by foreigners than by local consumers. For others, Portuguese brands are missing a differentiation factor to stand out from the competition, lacking in terms of originality and creativity.

"The truth is that big brands are produced in Portugal, and many people forget about that. We (Portuguese) have a lot of designers (of products) that are appearing on the market and sometimes we don't even know about them, which is a shame because we (interior designers) could promote them if we knew." (F, Portugal, Interior Designer, 22 years of experience)

In the case of <u>non-Portuguese respondents</u>, we noticed that there were also very positive associations with the Portuguese Design (6 out of 18 respondents), mainly due to the association of expertise labour and powerful handmade production that impacts the product design. For others non-Portuguese professionals, these two factors are very appreciated because it is a heritage that not all countries have. Furthermore, Portuguese Interior Design was also associated with specific products such as wood, ceramics and tiles as well as with a more luxurious and romantic style. Nevertheless, there was one (in a total of 18) non-Portuguese interviewee, who did not have any associations with Portuguese Interior design, as he was not familiarized with Portuguese brands.

*"I know many Portuguese brands. For me the work labour in Portugal is very good because it is still handmade and excellent. Woods and ceramics are very good. Tiles are also important". (*M, USA, Architect and Product Designer, 20 years of experience)

Regarding the **Associations with the Portuguese Craftmanship**, for <u>Portuguese respondents,</u> the major associations lay on the legendary and almost exclusive know-how of the craftsmen that is reflected in the high-quality of their handcrafts. Specific products were also associated like the marble from Estremoz, handmade baskets and tiles.

Although the overall opinion with the Portuguese Craftmanship is very positive, 4 out of 18 respondents felt sorry that these artisans are so hard to reach out as they are hidden all over the country and some are almost impossible to contact. These professionals end up importing handcraft from abroad, as these are easier to find. Moreover, these fear that this scarce know-how is not being transferred into the following generations, leading this exclusive art to die. Besides this, it has been stated that the lack of awareness of the Portuguese craftsmanship might be caused by the low patriotism among Portuguese citizens due to cultural issues. This contrasts with other countries where this culture and behaviour is clearly valued and practiced.

"I think you end up bringing more handicrafts from abroad because they are easier find and to buy, than to go to Portuguese artisans because you do not know where to find them. There are very few traditional artisans and I think the craft work is getting a little lost in the factories" (F, Portugal, Interior Designer, 3 years of experience)

For non-Portuguese respondents who are familiarized with the Portuguese craftmanship (5 out of 7 respondents), associations tend to be positive, as they associated it with strength and quality. For those who did not have any association (2 out 18 respondents) shared the interest on getting to know and work with Portuguese artisans, as they are permanently seekers of new products and ways of creativity.

"I would like to work with Portuguese artisans even for a cultural matter of knowing and learning more about this Portuguese art." (M, Italy, Interior Designer, 32 years of experience)

To what concerns **Pre-purchase research channels**, professionals tend to mix both offline and online channels, as they complement each other. Regarding the offline pre-purchase research, printed Catalogues and Magazines (7 out of 18 respondents) and Tradeshows (5 out of 18 respondents) were the most mentioned by all interviewees. Tradeshows still play an important role mainly when professionals are looking for new products and trends. On the online side, social media (7 out of 18 respondents) mainly Pinterest, general websites (6 out of 18 respondents) as Marketplaces and brands' official websites (4 out of 18 respondents) are the most used among professionals. It was concluded that the type of research might vary depending on the project and its requirements. However, these assumed that they like to use both to get a broader view of products and brands. As the Research is the first stage of the project, professionals usually dedicate a great part of their time diving into both channels to bridge the creative process.

Even though professionals do a lot of pre-purchase research online to find products and compare them, at **the moment of purchase**, the preferred channel, by the majority, is the offline, unless it is a small item or accessories. These professionals prefer to shop in stores, showrooms and tradeshows. The preference for offline channel is linked to the possibility to see and touch the product personally, especially in the case of more expensive and heavier products. Besides this, almost all professionals claimed that this channel is preponderant when they are having the first interaction with a new product/brand. When professionals already have bought items from a specific brand and they already know their performance, they might then more easily purchase in online channels if necessary. For instance, with the current Covid-19 pandemic, professionals have been forced to use more the online channel, so they are increasingly open to making future purchases through this canal.

"If I already know the product, I can buy it online then. But first I have to see the product personally." (F, Angola, Interior Designer, 34 years of experience)

With less evidence but equally relevant to highlight, is that younger Interior Designers have the tendency to use more online channels for both research and purchase, since they grew up being bombarded by new technologies. This small sample showed more willingness to choose the online channel as the prime option.

For the last part of this analysis, findings regarding the **project concept** will be presented. It is relevant to stand out that the concept was only presented to 16 professionals, as there were 2 that had already their own websites and who could potentially copy some of our ideas. Overall, the platform was perceived as being a convenient and complete service, since for 10 out of 16 respondents it would contain credible and user-friendly features. These respondents went a step further and claimed that it would be handy when researching for new products and brands, since otherwise professionals needed to compare products among many websites, which is much more time consuming. Moreover, respondents believe that by offering this platform the lack of offer for this type of websites would be tackled. Additionally, it would provide a wider product offer, which is very valued by this same sample. In this sense, a great part of the respondents (10 out of 16 respondents) would use the platform to research and buy. It has been also stated that the platform could be useful for professionals who are starting within this area, as it would provide many features to support them with different projects.

*"This platform is very interesting. It would help me when I need to present the project to the client and to convince him/her. The platform includes a lot of information that nowadays is spread across multiple channels" (*M, Dubai, Interior and Product Designer, 7 years of experience)

On the other hand, 6 out of 16 respondents would only use this platform for research purposes, as they prefer the offline channel to purchase. Moreover, the same sample of respondents perceived this platform as an indirect competition, as it would overlap with some of their tasks as Interior Designers. Therefore, these respondents specified that they would prefer to have this platform exclusively for professional usage of this sector.

"*For me this platform would be great if it was exclusive for professionals because as soon as final consumers enter on it, we will leave. Professionals like two things: they like their contacts are exclusive to them and they don't like customer to know the price of each product. I would use this platform for my professional life because I would have all products to create the project*" (F, Portugal, Interior Designer, 12 years of experience)

Another concern was shared which is linked to the trade-off between being available worldwide and conveying the Luxury essence at the same time. Although this insight was not shared by most professionals, a few believe that perhaps the luxury market is not prepared to be fully digitalized yet.

We understood that professionals could potentially use this platform daily, as some features would help accelerate some daily task they encounter when doing projects for their clients. For those professionals who prefer to purchase via offline channels, they would still use this platform, however only for pre-purchase research. Although this platform would be useful for all types of projects, some specified that they would exclusive use for less high-end projects, with less responsibility or for more residential projects. In order to deeper understand the usage rate of this platform, the group created an explicit graph as showed in appendix10 that considers how professionals would use this platform during a period. Therefore, the platform would be very useful in the beginning of the project, as expected, since this initial phase represents a phase of research to get inspired. Towards the middle of the project the purchase frequency would diminish as they move to the end of the project. This behaviour would then repeat with each new project. The time using the platform would depend on the extension of the project and its complexity, as for commercial projects the usage could take longer. However, the usage of other features rather than the shopping one would still be used even after the conclusion of the project. This usage would come in waves as it depends on the need, either because they would use it to know new brands, but without any project allocated or just to use it as a tool to get inspiration and to keep up with trends (Appendix 10).

In what concerns the **findings** about each feature, these will be presented in a short description of the main conclusions supported by a table present in Appendix 11, which contains the positive and negative feedback with the respective quote and the evidence shown by the sample. The evidence was interpreted as the amount of feedback the authors' thesis got, i.e., if less than 2 respondents (out of 16) shared the insight it is considered as weak evidence, if it was instead 3 to 7 respondents the evidence would be medium, and more than 8 respondents we concluded that there was a high evidence for this insight.

Regarding the first feature presented, the **Explanatory Video**, professionals have shown interest on exploring it deeper as this feature would help them to better understand products' characteristics and to infer their quality. Moreover, it was perceived as disruptive as it would convey the storytelling behind each product. The positive feedback got strong evidence (12 out of 16 respondents). Contrary, others did not show much interest on this feature as they found it a distortion of reality that might hide the real working conditions of the artisans. Indeed, for the negative feedback, this feature got medium evidence (4 out of 16 respondents).

Regarding the **Capsule Collection** we got more negative feedback than positive. Some professionals (7 out of 16 respondents) showed interest on buying from capsule collections, if they like the design and the style fits what they are looking for. Nevertheless, 9 out of 16 respondents perceived these collections as indirect competition since it consists of collaborations with other Interior Designers, and therefore, would not buy them.

On the third feature, the **Membership Program,** opinions were divided. 6 out of 16 respondents believe this feature would add value as it nourishes the relationship between them and brands represented on the platform. Moreover, a few respondents highlighted that the possibility to access Masterclasses would fulfil a lack of offer for this type of content in the market. The opposite was visible on 10 out of 16 respondents who argued that, due to time constraints, would not have much time to enjoy the Membership Program.

The fourth feature is regard to the **Sorting,** and this one was one of the most valued by the overall sample of professionals. Hence, the sorting feature was perceived as a time-saving and user-friendly one because it would allow search for products faster according to the house division they are looking for. As 11 out of 16 professionals showed interest on efficient features, this one would leverage the first part of each project which is the Research. A few respondents, 5 out of 16, did not show nor special interest nor cons in terms of this feature, since they focused more on other features presented.

The fifth and last feature was the **Photo scan research**, which was very valuable as the previous one. As a result, strong evidence (10 out of 16 respondents) was shown by most of the professionals on the speed up of the research of specific products. Respondents assumed that it takes longer for them research products manually because there are thousands of brands and references, thereby this feature would become the research more efficient. Others, 6 out of 16, respondents claimed that they already use Pinterest on similar purposes, so they found this feature less disruptive and less added value to the platform.

Having presented all findings regarding the features of concept board, it is important to cover also the perceptions of professionals towards the possibility to have only **Portuguese brands on the platform**. For a deeper analysis of these findings, the group decided to present separately the opinion of Portuguese respondents and non-Portuguese respondents.

Therefore, regarding Portuguese professionals (6 out of 16 respondents), we got strong evidence on the positive feedback as they found the Portuguese orientation for the platform a differentiator factor that would create a brand around Portugal and its design. Furthermore, some Portuguese respondents claimed that the platform would create more awareness for smaller brands or unknown talent. Linked to this reasoning, some non-Portuguese professionals (4 out of 16 respondents) who already work with Portuguese brands/products and know their quality, have shown interest on having an exclusive Portuguese platform since it would be an opportunity to easily export to foreign countries as well as it would give more visibility worldwide to the Portuguese talent. In tandem, 10 out of 16 respondents liked this orientation.

On the other hand, with medium evidence, some Portuguese and non-Portuguese respondents (6 out of 16 respondents) have shown some concern in terms of product offer as they fear that this platform is limitative by only providing Portuguese products. A few non-Portuguese professionals (2 out of 16 respondents) who are not familiarized with Portuguese brands, showed also some doubts because they probably are not so willing to spend money in brands they do not know. Overall, one can be said that there were more pros regarding the Portuguese orientation of the platform than cons.

e. Findings: Final consumers

The majority of consumer respondents said they search for furniture brands whenever they have the need to (re)decorate a place (5 out of 17 respondents), furnish a new place (6 out of 17 respondents), substitute an old product (2 out of 17 respondents) or as a gift (1 out of 17 respondents). Nevertheless, some respondents may still buy a furniture product for the simple fact that of being a purchase opportunity (3 out of 17 respondents).

After understanding the reasons behind a purchase, it is necessary to comprehend which channels are preferred to carry out the **pre-purchase research**. The truth is that the online channel was the most pronounced among the respondents, with the majority looking not only at general websites (12 out of 17 respondents) or brands own websites (3 out of 17 respondents), but also on social networks (2 out of 17 respondents).

Although the online was the preferred channel during the pre-purchase research stage, the offline channel did not go unnoticed, being mentioned, essentially, by consumers that read magazines (5 out of 17 respondents) with frequency and value the salespeople assistance (4 out of 17 respondents).

"I like to read magazines and books on paper, I refuse to read magazines online. After a more punctual way, I will check prices, see stores and online auctions. Then I start by looking for major international brands that are a reference in the market like Capellini, Amoroso." (M, Portugal, 57 years old, self-employed)

In addition to the aforementioned, some consumers claimed that they seek information and inspiration among other peers (1 out of 17 respondents) who share the same passion for interior design.

Thus, after the pre-purchase research phase, the consumer comes up with a certain **consideration set of brands**, which comprises International Luxury Brands, Brands suggested by the Interior Designer, Brands available in the retailer, Antique / Vintage Furniture Shops and Mid-level Furniture Brands. Within this set of brands, the final consumer chooses one according to a set of **selection criteria**, being the quality/durability (12 out of 17 respondents) and design (11 out of 17 respondents) the most relevant ones for them. However, although quality is important, this sample also takes into consideration not only the price (3 out of 17 respondents), valuing pieces that offer a balanced price-quality ratio, but also the timelessness of the pieces.

"I look for the piece to have been created by a good designer, it has the guarantee of good manufacture and quality of the piece and above all, I always look for things that are timeless. I am not into following the fashions and trends." (M, Portuguese, 57 years old, self-employed)

With less evidence, it was possible to get evidence on other selection criteria (1 out of 17 respondents for each one) such as exclusivity, worldwide shipping, business structure (internal capabilities, punctuality, trust-worthy), familiar brand and product offer. With this, the consumer is then able to choose the brand, among its initial consideration set, that best fits its selection criteria. Thus, it can be said that the final choice, made by most respondents, focused on Italian brands, given their positive perception regarding their quality and design. In addition to Italian brands, Danish, Portuguese, French, Russian and German brands were also mentioned.

"Boca do Lobo because I found the products fantastic, completely different from what we have in other brands. They have a mix that I like because they mix modern with old details." (M, Portugal, 62 years old, Self-employed)

With regard to **purchase channels**, the behaviour of most of this interviewed sample of final consumers stands out as being omnichannel (9 out of 17 respondents) meaning that they consider both online (3 out of 17 respondents) and offline (5 out of 17 respondents) purchase channels. The tiebreaker, between both channels, depends on where it is more convenient to purchase, i.e., store location, urgency of purchase, delivery option and stock availability. Nevertheless, a fewer number of respondents (3 out of 17 respondents) have a preference for online (3 out of 17 respondents) due to not only its convenience, but also, as a consequence of certain cases in which the purchase cannot be made through alternative channels. Auctions are an example of this, since they occur, most of the time, online. *"There are things that I don't buy online. I have already bought a lot of furniture online at auctions and so, but when it is* *something new it does not make sense to buy online. Either I sit and try it and I like it or forget it. There are things that only experienced."* (M, Portugal, 57 years old, Self-employed))

Despite the growing importance and presence of the online channel in most consumers' lives, it is still possible to verify the existence of a minority group of "Old-school" consumers, who give preference to the offline channel at the time of purchase. These consumers value not only the in-store experience, as they need to feel, see and touch the product in person, but also the sales personnel advice. Purchasing a product online feels hard for them, as the furniture purchase is from high involvement, thus requiring it to be a choice thought out in detail and reflecting the expensive and lasting character of the product in question.

"I wouldn't think of investing in superior quality material online. (...) The main obstacle comes down to the fact that I can't feel the pieces and I can't imagine how they would work in a spatial context." (F, Portugal, 50 years old, Self-employed)

With regard to the main **challenges**, final consumers emphasized four major topics that have to do with: (1) challenges that come from purchasing channels (4 out of 17 respondents), (2) challenges that are directly related to the sector (3 out of 17 respondents), (3) product related (11 out of 17 respondents) and (4) regarding inspiration (2 out of 17 respondents).

In fact, the first challenge found is related to both purchasing channels, online and offline. On the side of the online channel, the main challenge is related to the fact that final consumers are unable to buy high-involvement products, such as a luxury furniture piece, through this purchase channel, without first seen it in person. On the side of the offline channel, the challenge found has to do with the limited availability of in-store products, which consequently inhibits the consumer from having access to the desired part.

"Nowadays the difficulty is to find stock the piece you are looking for, stores are practically out of stock for that reason or online orders or catalogue orders, and there are certain things that you cannot buy without trying." (M, Portugal, 57 years old, Self-employed)

Regarding the second challenge, which is directly related to the sector in question, some problems were found not only linked to the logistics behind the ordering process, which from the consumer's point of view is seen with a certain complexity, (*"The main challenge is the delivery and logistics, especially if it is a heavy furniture item. This is the main challenge for me when purchasing online, especially if you're ordering from abroad."* (M, Armenia, 23 years old, employed)), but also related to the players of this same sector, more specifically with the interior designers. In fact, some final consumers found it difficult to deal with professionals in the field, not only because of the project's complexity, which requires a higher degree of involvement in comparison to the one the consumer can and intends to give (*"I can say that I didn't take advantage of some investments made while hiring an interior designer, as I didn't have the time. The meetings with the interior architects took a long time and then whenever it was decided to change something, we had to reconfigure everything."* (F, Portugal, 50 years old, Self-employed)), but also because often the opinion of the interior designers ends up prevailing over the customer's opinion, even if unintentionally, *"Sometimes you could really notice that she [interior designer] was trying to impose more her opinion like favouring maybe one style over another and then she really tried to convince you for that style."* (F, Spain, 23 years old, Student)).

The third challenge is related to the product itself, since (re)decorating a space requires that final consumers, in addition to finding the exact same product they have in mind, consider whether that same product fits the space's general style. Last but not least comes the lack of inspiration that some final consumers feel when it comes to decorate their places and they do not want to hire an interior designer.

Considering the orientation for the **origin of the product / brand**, it can be said that the opinions are divided, as it happens among professionals. On the one hand, some consumers (11 out of 17 respondents) consider the origin of the product, giving preference to the purchase of products from local brands, especially these days when many local businesses have suffered from the current pandemic. In addition, consumers, within this sample, also give preference to products that are produced in credible countries, mainly European countries as they also have a prejudice against countries like China. On the other hand, 6 out of 17 respondents think that the origin of the product does not influence their purchase, since their decision is based on some other factors, such as the design of the product or even the scope of the distribution.

"The only thing that worried me was the fact that it covered Europe, that is, if it was distributed here. But I never worried where it came from." (F, Brazil, 37 years old, Employee)

In addition, interviewees were asked to express their associations with **best design** countries for interiors in which Italy and France were the most cited, not only for their reference of luxury and creativity, but also for their incessant presence in the market for so many years. Besides these two, there was also reference to other countries such as Japan, Spain, Portugal and Nordic countries.

Once the overview of design around the world is perceived, it will be important to emphasize the **associations made with Portuguese interior design**, considering for this purpose the respondents' Portuguese and non-Portuguese views.

Within <u>Portuguese respondents</u> (5 out of 17 respondents) it can be said that they tend to associate the Portuguese design with great designers and particular wood products. Moreover, they also associate it with specific brands, such as Boca do Lobo and the manufacturing factories: Olaio, Cortal and Longa. With regard to the Portuguese Interior Design itself, these respondents tend to associate it with an eccentric and aesthetic driven style. In terms of Portuguese designers, José Pinheiro, Daciano Costa and José Espinho were some of the names that came to consumers' minds. However, they recognize that the Portuguese Interior Design is also associated with low visibility due to its weak communication.

"I would not feel inclined to look for Portuguese design, but perhaps because it is not widespread. If it was had, I would rather buy Portuguese products than foreign products." (F, 50 years old, Portugal, Self-employed)

On the side of the non-Portuguese respondents, and as initially foreseen, some final consumers (5 out of 17 respondents) have no association whatsoever, due to its lack of familiarity with Portuguese brands. However, it is important to highlight the existence of respondents, within this sample, who presented positive associations regarding the Portuguese design, since they believe in the high quality of handmade production. Some of the Portuguese design was associated with some specific products such as wood, stone and tiles as well as a more colourful and minimalist style. In addition, and since the thesis focuses on the case of Covet group, it is important to highlight the emphasis made on two of the brands existing in the group's portfolio, Brabbu and Boca do Lobo, and their respective association with the essence of Portuguese interiors.

Regarding the associations inherent to **Portuguese craftmanship**, from the point of view of Portuguese respondents (7 out of 17 respondents), these are related to high quality and the exclusivity of its service.

"I really value it because this what differentiates each product. This is why the price is higher. And this sense I know that luxury brands can charge us more because each product is valuable." (M, Portugal, 25 years old, Self-employed)

Although the overall opinion regarding the Portuguese artisans is very positive, 5 out of 17 respondents have the perception that this legacy is being lost in time and that it is more valued by foreigners. Moreover, Portuguese artisans are associated to rural areas of Portugal, which are difficult to find.

"We have great Portuguese artisans, but unfortunately they are from a generation that has not kept up with modern times and that are disappearing exactly for that reason, and all of our excellent and qualified labour is being lost. But I give a lot of love to the artisan because that is the true sage, the one who truly knows all the production techniques." (M, Portugal, 57 years old, Self-employed)

Within the non-Portuguese respondents (5 out of 17 respondents), who are familiarized with the Portuguese craftsmanship, the associations tend to be positive, as they associate it with great artisans and legendary heritage. Some of the Portuguese handcraft products mentioned are linked to some specific products like table wear, baskets, Arraiolos carpets and tiles.

"I think it is pretty high level, especially in the North, with very good artisans and smaller factories producing high quality furniture." (M, France, 56 years old, employee)

Finally, the last part of this analysis is regarding the **concept testing** that was showed to this sample of final consumers. With this, respondents found this platform convenient, time-saving and innovative since it would gather different tools and services that usually are spread out in many platforms.

Following the same line of reasoning, some respondents (14 out of 17 respondents) believe that by offering a set of innovative purchasing tools, the online shopping experience will be enhanced as well as more sensorial, so that the online channel can get closer to the unique experience that offline offers. Apart from this, the sample believes that this platform would also tackle a market gap, as they think there is a lack of offer for this type of platforms. Moreover, the respondents are from the opinion that this platform would be aligned with the digital evolution of the luxury sector and it's growing demand.

"Yes, I think it's really innovating, and I think it will get more demand in future, especially in luxury we see how this industry if focusing more and more on the digital world. This community portal would be a really nice thing not only for connoisseurs for but also for people who are simply interested in interior design, I mean the whole podcast and masterclasses, we really thought about everything." (M, Armenia, 23 years old, employee)

On the other hand, with regard to consumers (3 out of 17 respondents) whose research and purchase habits tend to be done through the offline channel, ended up claiming that they would not use or take advantage of this platform.

To what concerns the **Platform Usage,** and in order to better understand the whole idea behind it, the group has created a conceptual graph, as the one from the previous professional analysis, which aims to demonstrate how the final consumers will enjoy the platform over a period of time.

Thus, respondents would use this platform for research and shopping purposes, being supported by the available features. Regarding the usage of the platform as an online shop, it can be said that respondents will use it whenever a need or opportunity arises. Thus, after the trigger/ need, the use of the platform will grow exponentially until the customer effectively purchases the product. After the purchase, the use of the platform is considered to be null, until the final consumer feels the need to use it for another purchase. Regarding the usage of other features, respondents would use these inconsistently, as some consumers would still use the platform for research and inspiration purposes, even if they are not looking to purchase any product in specific (Appendix 12).

Finally, and as it was the case in the previous analysis regarding professionals, an analysis of the main findings will be conducted (Appendix 13) regarding each platform's feature, considering for this purpose both feedbacks, positive and negative, from final consumers. In order to support each statement, quotes will be used, as well as the level of evidence, previously explained within the professional's part.

Within the first feature, **Explanatory video**, final consumers highlighted this feature due to its authenticity and transparency, allowing them to infer about working methods and conditions. In addition, it can be useful not only because it helps them to create brand awareness whenever brands are unknown, but also as it impacts their overall perception of the product's value proposition and, consequently, positively influences their purchase decision. With this, the positive feedback had strong evidence (13 out of 17 respondents). Negative feedback, with medium evidence (4 out of 17 respondents), takes into account not only some interviewees who consider that this resource may not bring much added value to consumers with positive brand perception, but also those who consider the production process not relevant to their criteria of selection.

Then, regarding the **Capsule collection** feature, some respondents were interested in these products if the design and style were in line with what they were looking for, or if they belong to exclusive collections. In this feature both positive (8 out of 17 respondents) and negative (9 out of 17 respondents) feedbacks proved to be strong, with no downside directly mentioned for this feature.

Regarding the third feature, the **Membership program**, the sample of final consumers perceived it as being beneficial, since it nourishes the relationship between the consumer and the company, and the truth is that they like to be recognized for their loyalty relationships. In addition, it is worth noting the enormous interest of final consumers in the possibility of accessing masterclasses. Although this positive feedback had strong evidence (7 out of 17 respondents), the negative feedback proved to be dominant with strong evidence (10 out of 17 respondents). This is due to the fact that some consumers do not appreciate this type of programs as they perceived it as an invasive marketing tool.

On the fourth feature, **Sorting feature** was highlighted as being time-saving and convenient, allowing consumers to make their research easier and faster, when it comes to classifying and researching products. For this positive feedback, we got strong evidence (11 out of 17 respondents), while within negative feedback the level of evidence was considered to be medium (6 out of 17 respondents), since no downside was mentioned.

To what concerns the fifth feature, **Photo scan research,** one of the most valued by the sample of final consumers, it can be said that this feature was perceived as being disruptive and time saving, especially when they are looking for a specific product. Apart from this, the utility of this resource was also emphasized during the pre-purchase research phase. With this, the positive feedback got strong evidence (15 out of 17 respondents). On the other hand, the negative feedback was considered as being of weak evidence, (2 out of 17 respondents) with only some respondents highlighting that they would use this feature only if it was very user-friendly.

Within the sixth feature, which is regard to the **Interior Design service,** respondents claimed that they would only use this service for projects with a higher degree of complexity and which required some additional support. In addition, some interviewees have also shown preference in hiring an Interior Designer, when they feel that they do not have the necessary skill set to create the desired environment in a given area. In this sense, the positive feedback for this feature was only seen as being medium (6 out of 17 respondents), while the negative feedback got strong evidence (11 out of 17 respondents). This level is due to the fact that the majority of respondents argued that they already have their own network of Interior Designers and, therefore, would not take advantage of this service.

Last but not least the seventh feature, **Augmented reality** was classified with strong evidence regarding positive (9 out of 17 respondents) and negative feedbacks (7 out of 17 respondents). With regard to positive feedback, some respondents stated that this feature would impact their purchase decision, given the more visual perception of the product in the space, leading to online shopping barriers being minimized. On the other hand, it was noted among some interviewees that the use of this resource would be exclusive as a resource for an evaluation, instead of being used to assist each purchase they made, as it is a time-consuming tool. In addition, it does not prove to be a fundamental tool for the purchase decision.

Once the insights related to each feature of the platform are presented, an analysis will be conducted regarding the feasibility of having only **Portuguese brands on the platform**, considering the opinion of both Portuguese and non-Portuguese respondents.

To what concerns the <u>Portuguese Final consumers</u>, 4 out of 17 respondents demonstrated their appreciation, since they value the promotion of what is national. Moreover, they found the idea of having only Portuguese brands a differentiator factor, as there is no similar platform, in the existing market, with this type of offer. In addition, it will help smaller brands to improve not only their reputation but their worldwide presence. Regarding the non-Portuguese Final consumers, 6 out of 17 respondents are insured of the quality of Portuguese brands and therefore would not mind having an offer of Portuguese brands. They also believe that it would be an opportunity to export and give more worldwide visibility to the Portuguese brands. Furthermore, non-Portuguese respondents would also be more open to this idea after the covid-19 pandemic, since now their priority is to support local brands. For both cases, the evidence, related to positive feedback, proved to be strong.

However, it was also collected some less positive feedback regarding this idea, from both Portuguese (3 out of 17 respondents) and non-Portuguese Final consumers (4 out of 17 respondents), since they believe that this can be a limiting factoring in terms of product offer. The non-Portuguese Final consumers also added that given the low visibility of Portuguese brands, consumers would not be as willing to spend a great amount of money in an unknown brand. Once again, for both cases, the evidence, related to negative feedback, proved to be strong.

f. Main Insights and Implications

After analysing the findings gathered from our research, some main insights could be extracted regarding **behaviours of the sample interviewed**. Indeed, it was possible to find three different behaviours within professionals: those who are **independent** from any company and have a specific set of brands in mind so they recommend it based on their preferences and the project itself; those who are **Product Designers** who create their pieces tend to use first their brands and then others to complement the project; and professionals who have brands **represented in their stores,** and so, they first recommend those brands of which they are representatives and only resort to others when necessary. For these three behaviours, the selection criteria of brands are based mainly on quality and design. It can also be impacted by other factors like price, specially when they must deal with special requirements from customers. It was also possible to conclude that one of the main challenges that professionals face is linked to the difficulty of finding local artisans to create unique pieces for their clients. On the side of the Final Consumers, it is not so noticeable to determine behavior patterns among this target, since it is a sporadic high-involvement purchase. Regarding the selection criteria, it can be said that, as in Professionals, quality and design stand out, however, emphasis was still placed on the aspect of durability, corroborating the previous idea of being a high-involvement purchase. In addition, it was realized that some of the challenges that consumers face have to do with the product itself, given the difficulty in finding the product, that meets the respective space. However, problems related to shipping were also mentioned, especially when purchasing through the online channel.

Other important touchpoint of these insights is linked to the **Country orientation** in which some countries, like Italy and France, were mentioned as being huge references for both samples, Professionals and Final consumers, and others like China was shown a prejudice in terms of lack of quality. The Portuguese Design was also highlighted, however both Portuguese and Non-Portuguese, within both targets, showed some concerns in terms of the visibility worldwide. The Portuguese Craftmanship seems to represent a double trouble for both targets due to the difficulty of finding the talent and the fear of this heritage is being lost in time. Final consumers went a step further and added the fact that this craftmanship can be much more appreciated by foreigners.

Furthermore, it was possible to understand the preferences in terms of **channels** for research and purchase within the sample interviewed. The pre-purchase research is a mix of both online and offline whereas these professionals tend to prefer the offline channel to purchase. For buying online, some boundaries were pointed out mainly when products/brands are unknown/new. However, with the concept testing, mainly with the Explanatory Video and the Photo scan the same sample would be more willing to buy products online as they would infer better products' characteristics. In what concerns the Platform, overall professionals interviewed are open to incorporate it in their research tools as well as to purchase, since they found it disruptive and complete with a wide offer of features. Although some features have been more mentioned than others, professionals showed their interest on the platform which is a very good insight for the course of the current Project.

With regard to the Final consumer sample, they also demonstrate a similar behaviour relative to the pre-purchase, opting both channels. However, they differ regarding the purchase itself, since most final consumers demonstrate an omnichannel behaviour. Doubts about online shopping only arise when it is a high-involvement purchase, and the consumer did not have the opportunity to see the product in person, feeling pressure and increased responsibility. As with Professionals, Final consumers felt that the platform not only solves this problem, mentioned above, but also improves the online experience itself, highlighting the explanatory video, Photo scan research and the Augmented reality features for that same purpose. For these same reasons, these consumers have shown unanimous positive behaviour among all, believing that many of the features offered on a single platform, are innovative and time-savers. All of this allows us to believe in its success and adherence.

Nevertheless, it is also relevant to highlight the main **opportunities** that arose throughout the analysis: final consumers interviewed have shown a special interest on the platform presented due to their increasingly omnichannel behaviour. Professionals have shown a more offline behaviour, however with the recent covid-19 Pandemic, the growth of online channel has been accelerated. This phenomenon could be interpreted as an opportunity for Covet to digitalize even more and to launch this platform, in order to capture those consumers who are migrating towards a more online behaviour.

Besides these opportunities, some **implications** resulted from the analysis. Indeed, the group understood that although both samples like the Portuguese origin orientation for the platform, they are concerned about the awareness that Portuguese brands have worldwide. In this sense, one implication leads to the capacity of the "Made-in Portugal" to bring equity to its products, since it is still not as much communicated as expected. We named this phenomenon of being stuck in this low awareness, "The invisibility trap". Based on what was collected from primary and secondary research, there are two possible positionings that HS can take: either as an international marketplace with brands from different countries or as a Portuguese exclusive marketplace with only local brands in order to exalt the Portuguese craftmanship and design. Therefore, the implication leads to define which strategy should DF assume for HS. Moreover, to create a Marketplace, it is equally necessary to create awareness and to communicate it to its target audience. Hence, the other implication is allied to the approach that HS should assume in order to engage customers, meaning Professionals and Final consumers, as they are different from each other and, consequently, have different expectations. All these questions will be covered by the Thesis' Authors individually further ahead, since each member will be responsible to develop one of these topics.

3. Limitations

During the course of our study, some limitations have arisen that directly influence the outcome and recommendations of our analysis.

Some limitations were connected to the specific sector of study - Luxury Interior Design, as purchases are done widely spread during the time. A Luxury furniture product is something a consumer might purchase multiple times while developing their home, but the goal when purchasing an expensive furniture item is that it lasts for a lifetime. Sometimes the time between purchases can be years, and during those years people change, distribution changes, new brands have arisen, people might have different preferences and different selection criteria, which makes it more difficult to study patterns and behaviours. Moreover, Luxury consumers as well as professionals of this sector are hard to reach. On one hand, Luxury consumers like to keep their discretion and do not like to share information about what Luxury items they own in their houses with strangers, and on the other hand, professionals are usually very busy and do not have time to spend on long interviews. This is shown by the fact that more than 72 professionals were reached out, but only 18 (25%) were willing and able to be interviewed.

Regarding more sample related limitations, linguistic barriers were one of the most felt difficulties, as we interviewed people from different nationalities and not all were comfortable speaking in English, which was translated to poor responses from lack of vocabulary and sometimes difficulty in understanding what the interviewee meant. Furthermore, during the B2B interviews, we understood that 2 professionals were developing their own websites and brands, which lead us to decide not to share our project with them as ideas might be copied. Thus, the concept board was only tested with a smaller sample of professional (16 out of 18 professionals). Moreover, the authenticity of their answers in the rest of the interview could also be put into question, as conflict of interests might have occurred. Finally, for a more concrete description of the company background it would be useful to have some numbers and percentages from the company, but due to confidentiality reasons, these were not given to us.

Additionally, the current Covid-19 pandemic also contributed to some limitations of the study, as face-to-face interviews were not possible and interviews through calls and video-calls had to be conducted. This limits the study since (1) connection might not be the best and (2) the interviewer is not able to control the environment in which the interview is done.

For future research, most of these limitations could be tackled by conducting the research during a larger timespan to better infer patterns and behaviours of consumers.

II. PART: Individual part

1. Individual Part: The Analysis of Made in Portugal Brand Positioning for Home'Society

Introduction

Covet Group represents the belief in the best that Portugal has to offer: quality of manufacture, productive capacity and heritage of a culture of tradition. (Dias, 2017). However, what could be a great indicator of success seems to become a problem. The truth is that Portugal has not had the opportunity to make itself noticed and to be noticed, which culminates in poor visibility of its products, inside and beyond borders. Thus, and in order to better understand this whole theme, it is important to analyze all the surroundings, internal and external, that condition the success and the future of "Made-in Portugal", using the SWOT analysis for the purpose. Subsequently, this analysis will serve as a basis for the recommendations that will be given, with a view to the success of Covet and the launch of the Home'Society platform.

Country Brands and Country of origin (COO) / Made In

In a current world, where arguably the effects of globalization and competitiveness are increasingly notorious and transversal to any industry, "branding is accepted as a fundamental strategy for competitive advantage and success" (Mawhinney-Kam, 2014, p.4). Alongside the brand concept, **"country brands"** emerges. Jean Noël Kapferer (1992) addresses this same concept, country brands, in his book The New Strategic Brand Management emphasizing the importance and the power of influence that it represents in consumers' minds "through the spontaneous associations they evoke, for good or ill, and through the emotions that they stir up". (Kapferer, 2012, p.88) As with a brand, a country brand requires a careful image that boosts its success, inside and beyond borders, hence the way a country makes itself heard has an impact.

Alluding to the theme, the concept of **country of origin (COO)**, also called **“Made-in”**, appears. As the name implies, this concept is linked to the origin of the products and contains “information and associations that are both tangible and intangible, rational and emotional.” (Mawhinney-Kam, 2014, p.5). Thus, it is easy to see that this concept is extremely relevant for the consumer since “the more brands that shoppers know are "Made In" a particular country, the more likely they are to prefer it as a "Country of Origin". (Mawhinney-Kam, 2014) However, and as stated by Steenkamp et all (1999), it is important to take into account that the possible success that the COO stamp can bring, oscillates not only among sectors but also among countries (Kapferer, 2012), as it will be analyzed below.

Once the concept is understood, it is important to understand the **relevance of Made in**, considering both the perspectives of global consumers and brands. In fact, the evolution of Made-in has not always been constant, so it was recorded in three different phases. The **first phase** occurred between 1900 and 1970, and was called “origin as a given”. At this stage, Madein did not have much expression, given the low awareness of the effects of globalization, so people ended up being restricted to the local or national products. (Mawhinney-Kam, 2014, p.19) In the **second phase**, which was from 1970 to 2000, an evolution in the way of seeing Made-in was noticeable, meeting the name attributed to this phase, “origin as an option”. Given the considerable effects felt by globalization, the brands managed to go beyond borders, using in their favour the differentiating factor of the country of origin “more as marketing ideas than authentic reflections of heritage, design or manufacturing location.“ (Mawhinney-Kam, 2014, p.21). Finally, the **third phase**, “origin as an asset”, which extends from 2000 to the present day. In this phase, there is a turnaround caused by anti-globalization movements, whose action was further strengthened by the economic crisis that was felt at the time, which aimed as an ultimate goal the purchase of national products. Nowadays, consumers' concern for the COO of products and services is quite noticeable. If in the past it was enough “(…) limited to associations with a place (…) now, where something is manufactured is also a key driver of choice." (Mawhinney-Kam, 2014, p.21), so brand's transparency and authenticity is an asset.

However, in the light of the BoF article (2015), not all brands, especially luxury brands, choose to unveil the origin of production, despite being aware of its importance. Bearing this in mind, it is possible to distinguish the major luxury brands in four different groups (Appendix 14), depending on the source of production. The **first group** values total transparency towards its consumers, revealing all the details related to the origin of production on its online platforms, explaining in which countries the same takes place. (Solca, 2015) Following the same line of reasoning, the **second group** also ends up unveiling its origin of production in the online channel, however, this is restricted to products of high range lines. (Solca, 2015) In **the third group**, on the one hand, if brands do not hide the information related to the origin of production of the products, on the other hand, this information is not entirely perceptible, at first glance, so the consumer needs to browse the respective website in order to get the answer they are looking for. (Solca, 2015) Last but not least, the **fourth group** values maximum discretion, choosing not to reveal any information regarding the origin of production to its consumer. (Solca, 2015) With this, it remains to understand what are the reasons behind this differentiation between groups. In fact, the first and the fourth group reflect extreme sides relative to revealing the origin of production, so they will be a reason for greater focus. In fact, the first group includes mostly Italian fashion brands. It will not be a surprising revelation considering that "'Made in Italy' is a consistent marketing statement that reinforces their brand positioning." (Solca, 2015), so the total transparency, to its consumers, of the place of origin of production will always be a fundamental pillar in its long-term strategy. With regard to the fourth group, it is essentially composed of French fashion brands. What leads this group of brands to hide the origin of production is the fact that it does not correspond to the original identity of the brand, which they promote within their consumers. In other words, since labour in France is expensive, it ends up being more advantageous for brands with French identity to export the same. However, in order to obtain the “Made in France” stamp, the final assembly is made in France. Nevertheless, it is important to note that the fact that some brands use this procedure, leads consumers to increasingly begin to doubt the credibility that the “Made in” stamp entails.

Made In Portugal

Once "Made in" is analyzed, in general, it is important to understand the evolution of "Made in Portugal" and how it has been behaving. Portuguese reputation, regarding its quality, is strong and quite established (Muzquiz, 2020), as it was possible to ascertain during the interview phase, developed within the scope of market research for the general research question. However, this has not always been the case, since “(…) in the '90s, Portugal was the' China of Europe, ' with very low prices, lower quality and mass production, mainly targeting European markets” (Mellery-Pratt, 2015), so quality was not a priority. The entry into the European Union, in 1986, improved all these working conditions, increasing worker’s income, in order to attract high-quality producers. This change allowed Portugal to succeed with a new wave of leather producers, distinguished by their high standards of demand and quality, which are comparable to that of the leading countries, such as Italy and France (Mellery-Pratt, 2015). However, coupled with quality and excellence, there is “the plus of small runs and at a considerably lower cost”. (Mellery-Pratt, 2015)

a. SWOT Analysis

In order to better understand the dynamics behind Made in Portugal, a SWOT analysis was conducted, “an internal analysis of the strengths and weaknesses of the company or brand and an external analysis of opportunities and threats in the marketplace” (Pelsmacker, Geuens & Van Der Bergh 2017, p.627).

With regard to the **Strengths (S)**, and as previously mentioned, Portugal stands out in terms of production for its manufacturing quality and long-standing know-how (Muzquiz, 2020). Because it is so rooted in its own culture and tradition, production of Portuguese origin turns out to be quite coveted (Muzquiz, 2020), globally, among other industries and often equated to that of other large calibre countries, like Italy and France (Mellery-Pratt, 2015). However, combined with quality, Portugal benefits from a moderate production cost (Pinkhasov, 2017). This, which is a competitive advantage, is often due to the fact that they concentrate the entire production process, ranging from design to the creation of the product itself, in one place, avoiding additional travel costs (Muzquiz, 2020). All of this translates into a more competitive price and, consequently, less for the final consumer. (Muzquiz, 2020) Those who think that Portugal has only this to offer, could not be more wrong, in fact, it can be said that there is an investment behind the production equipment, "(…) the big brands don't necessarily come here because of the difference in price, but because we mix know-how with advanced technology and fast delivery (…)". (Eytan, 2015) Apart from that, it was also highlighted the good working conditions provided to workers. (Muzquiz, 2020) From the commitment to quality that Portugal proposes, there are countless companies that choose Portugal to produce their products. Within the footwear industry, self-titled "The sexiest industry in Europe" (Eytan, 2015) and represented by APICCAPS (Association of Portuguese shoes' manufacturers), the success abroad is established, exporting around 95% of total production (APICCAPS, 2018). Its vast portfolio of brands includes brands recognized worldwide, such as Versace, Prada, Dolce & Gabanna and Gucci (Eytan, 2015). In the fashion industry, "Made in Portugal" extends from premium to luxury brands like Versace, Giorgio Armani, Max Mara, Hugo Boss, Calvin Klein, Zara, COS, among others. (Binlot, 2015). The home products industry also attracts the most attentive eyes from brands like Christian Lacroix and Oscar de la Renta. (AICEP, 2020) In addition, some international celebrities have also spoken about the quality of Portuguese products, which increases their visibility. Among the most varied names, it is important to highlight not only Chiara Ferragni, with Josefinas' brand, where she starred in a capsule collection (Josefinas, 2016), but also Oprah, where she demonstrated her preference for Claus Porto soaps, live at one of her shows. (Neves, 2017)

The **Weaknesses (W)**, perceived in the "Made in Portugal" brand, are due to the most diverse factors that do not allow the brand to have the visibility and the expected success. The **first factor** is related to the brand image, which according to Keller (2008, p.47) is defined by the "consumer's perceptions about a brand, as reflected by the brand associations held in consumer memory". So, if on the one hand the quality of Portuguese production is recognized, on the other hand, the image created around the brand is below expectations, including by its Italian rival who claims that Portugal needs "to cultivate a stronger brand in the eyes of end consumers, or risk limiting its prospects". (Mellery-Pratt, 2015) Thus, what happens is that the stamp "Made in Portugal" shows doubts and stigmas regarding its past, asit can be corroborated in the statement by Mario Ortelli (Luxury Goods sector's Global Head at Bernstein Global Wealth Management), "(…) 'Made in Portugal' is less appealing than 'Made in Italy,' in France and even in Spain. Portugal still lacks a domestic brand with history and global recognition (…)". (Mellery-Pratt, 2015) In fact, a country's historical ancestors are one of the conditioning factors in the consumer's image of its products. In addition, combined with the history of a country, there is also the way to embrace and perceive the nationality inherent in a country. If, on the one hand, throughout Italy, the legacy left by the fashion sector, which has revolutionized the way it is seen today, is notorious, on the other hand, Portugal hardly reflects major milestones in history, when compared to other countries. Therefore, it is now possible to better understand why "the same product sells for less money if it has a "Made in Portugal" label, than it would sell if it had the same label written "Made in Italy". (Agostinho, 2007, p.67) The **second factor** is related to the communication and promotion of products under the "Made in Portugal" brand, among the most diverse distribution channels. In fact, this problem is not related to the distribution channels themselves, but if, when they are sold, the public realizes the Portuguese origin of the products. Thus, what has been verified is that the communication made for the promotion and dissemination of the "Made in Portugal" brand, which is in charge of AICEP, ends up being biased towards B2B, compromising the perception of the other target, B2C. (Agostinho, 2007) With this in mind, the scheme, present in Appendix 15, intends to illustrate this problem described as **"Made in Portugal invisibility trap"**. In its simplest interpretation, the main message is that Made-in-Portugal isn't strongly recognized by final consumers, or the B2C markets, so Portuguese producers don't use it for brand differentiation. However, it is important to go further and reflect on what may be the source of this main event. In fact, this cycle starts with the communication problem, mentioned above, which does not allow products of Portuguese origin to be noticed. Since Portugal is recognized for its quality, and with the advantage of having a moderate cost, it would be predictable that companies, looking for a place to produce their products, would be looking for Portuguese manufacture. Since these are companies, it can be said that there is a recognition of "Made in Portugal" at the B2B level. All of this is possible to verify through the example of the Corridor NYC brand, where Dan Snyder, designer and founder of this brand, chose to produce his products in Portugal instead of in the USA. It turns out to be interesting to analyze this case and the reasons behind this decision. In fact, the impulse that was generated in Snyder was due to the fact that many modern brands, such as Universal Works, chose to produce their products in Portugal, thus arousing the curiosity to visit each factory with which Universal Works collaborates. Once visited, Snyder did realize the enormous potential of Portugal, which contrasts sharply with the American reality in terms of not only quality but also working conditions. (Muzquiz, 2020) But the question is whether the same is true for end consumers, who represent the B2C level. In this same article, from Albert Muzquiz (2020), the writer, from the consumer perspective, demonstrates his displeasure when realizing that the label of one of his favourite brands claimed to be of Portuguese origin. Like so many other consumers, their justification was based on: "I had deluded myself to believe that a product made in the United States was innately better than one made almost anywhere else. I had also overlooked a move made by many highly-esteemed brands to Portugal". (Muzquiz, 2020) In fact, what happens is that the consumer ends up not having the means to lead him to believe in "Made in Portugal". Few Portuguese brands are able to make themselves known and take Portugal's name to the most diverse parts of the world, given the weak promotion to which they are submitted. In addition, brands that believe in the quality of Portugal, end up not being entitled to it, which leads the final consumer to buy the product without knowing its origin. If "Made in Portugal" is not known, it ends up not becoming profitable. Now, something that is not profitable means that the producer has no interest in wanting to promote his products, leading him to take the easiest way to ignore the problem. This is the reality of Portuguese producers, thus culminating in the lack of awareness and visibility of "Made in Portugal".

Regarding **Opportunities (O)**, once we comprehend the main problem, represented in the "Made in Portugal invisibility trap" scheme, it is important to understand how to reverse this vicious cycle and make it a virtuous cycle, considering for this purpose the two factors addressed in the weaknesses. Thus, with regard to the first factor, interlinked with the problem of brand image, it would be important to have more intervention from the State, in order to contribute to a greater cohesion of the representative brands of "Made in Portugal" and thus increase its dimension. With this, and considering the interior design sector, the state intervention could start with the sponsorship of the Portuguese brands going to Maison Objet, one of the most well-known tradeshows in this sector. This would lead companies to feel responsible and think that before competing with each other, it is necessary to contribute to the dissemination of "Made in Portugal". As for the second factor, related to the communication and promotion of the “Made in Portugal” brand, and the fact that it is biased towards B2B (Agostinho, 2007), it would be important to create a sales network (Agostinho, 2007) with a more targeted communication towards B2C, allowing them to elucidate of the Portuguese origin of the products. This sales network could be extended to AICEP, or independent from it.

Last but not least the **Threats (T)**. The first is related to other countries of similar quality, but with greater awareness among the public: Italy and France. However, and considering that these are already renowned and stable brands in the market, it is important for Portugal not to try to be the next Italy or France, but to further enhance its qualities and offer something different. The other threat, on the other hand, is related not only to the lack of success but also to the underinvestment, denoted in terms of promoting “Made in Portugal”. Agostinho (2007) states that this lack of success is due to the fact that the promotional campaigns are “misunderstood by their potential recipients because what these campaigns mean is incomprehensible” (Agostinho, 2007, p. 55). In addition, what has been verified is that despite the monetary efforts made to promote Portugal, these are not enough to result in its total effectiveness and carry the name Portugal around the world. (Agostinho, 2007)

Recommendations

In fact, through the analysis of opportunities, referring to “Made in Portugal”, it was possible to understand some of the possibilities to end the vicious cycle in which it finds itself. However, it is still important to understand how they can be applied, in a more concrete way, to Covet Group and, thus, enhance the success of the Home’Society platform. Therefore, and considering the problems previously defined as related not only to the brand image but also to the communication and promotion of “Made in Portugal”, it is important to find solutions that give visibility to it and that meets the expectations of Home’Society.

The **first** suggestion aims to facilitate the association of the origin of a brand within the consumer's mind. Claus Porto is one of the few Portuguese brands that mentions its Portuguese origin. Covet, on the other hand, does not reflect any association with its Portuguese origin, other than Boca do Lobo. In fact, during the market research, and within an interview, one of the respondent's insights had to do with the fact that he did not know that Maison Valentina was originally from Portugal. With that, the suggestion goes through a rebranding exercise, in order to associate the brands present in the portfolio to the Portuguese origin. Thus, the **second** recommendation appears based on one of the most current trends and with the highest return on investment (ROI): influencers or "consumers who promote products to their followers on social media". (Esber & Wong, 2020) Thus, influencers of Portuguese and foreign nationality would be selected, prioritizing their credibility, towards the respective public, at the expense of the number of followers. So what would be more important is the message that they send, and that, preferably, meets the respective brand. Once chosen, the partnership would consist of visits to Portuguese factories, so that their audience could experience, in a certain way, what goes on in them and realize the potential of "Made in Portugal". In this case, and considering the Home'Society platform, the visit would be to Preggo's facilities, and the respective influencer would make known the different phases that add value to a product until reaching the final consumer. The **third** suggestion is in line with the DIY (do it yourself) trend, which is increasingly becoming evident with the current pandemic. Since the Home'Society platform is part of the interior design industry, the idea would be to build a handicraft piece for decoration, based on the know-how of the group's Portuguese producers. This idea would be implemented in two phases. First, the influencer would receive, in his house, a box with everything it needs to make the piece, publicizing it on social networks. Then, the piece would be made by the influencer, with the help of a craftsman, in a live format so that the public can watch the activity.

Limitations

With regard to the limitations part, although some interviews were conducted during the primary research, related to the theme in general, for future research it would be necessary to deepen this sub-theme with some face-to-face interviews, both with producers and consumers as well as with professionals from the "Made in Portugal" brand. The impossibility of carrying them out was due to the atypical times in which we live.

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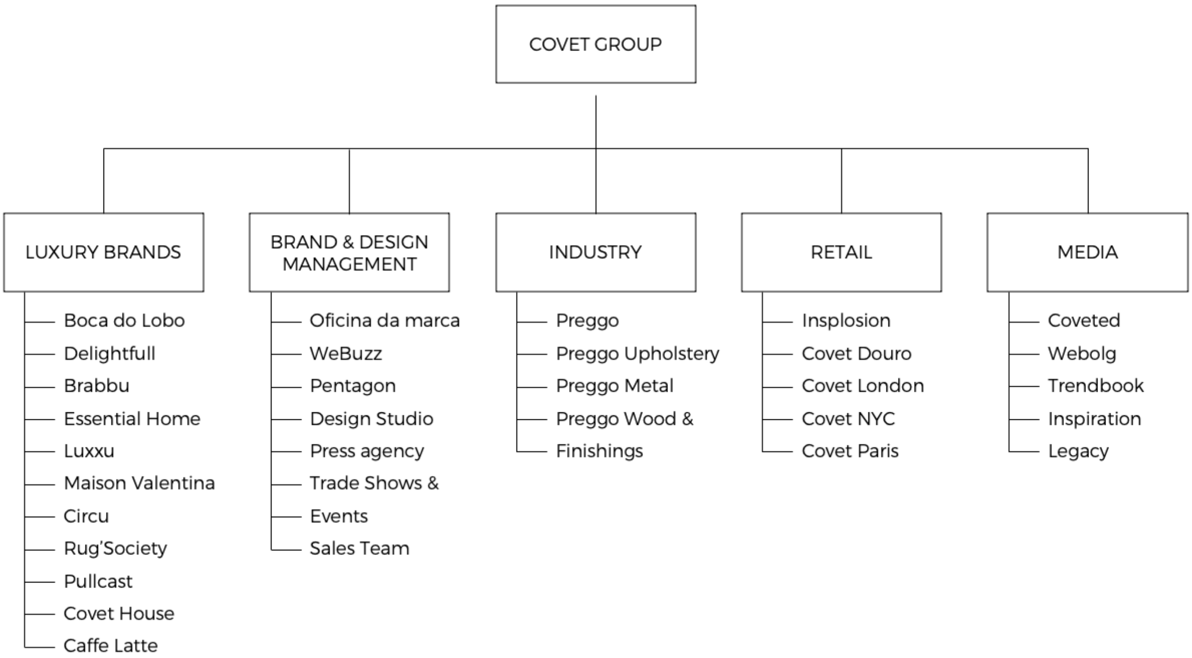
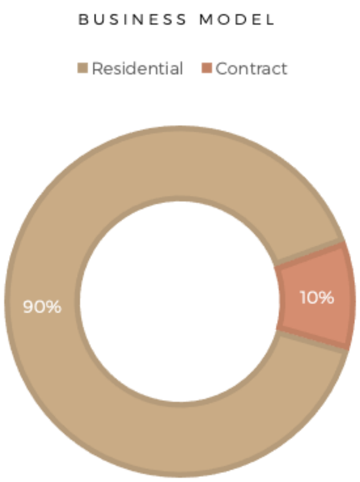
3. Appendices

<u>Appendix 1</u> – Businesses Units



Source: Thesis' Authors based on Covet's website

<u>Appendix 2</u> – Segmentation of Design Forces Clients



Source: Thesis' Authors based on the company briefing

Appendix 3 – Social Media Benchmark Table

	Social Media			
	Instagram	**Linkedin**	**Pinterest**	**Facebook**
Brabbu				
Presence	Yes	Yes	Yes	Yes
Followers	213k	3,5k	71,6k	81,5k
Only Informative/ Sell	Sell	Only Informative	Only Informative	Only informative
Information provided	Post + shopping feature + Reels + IGTV	Image + short description	Image + short description	Products + News + Articles + Videos + link redirect to the official website
Post Frequency	daily, more than one post	2 - 3 times per week	-	2 - 3 times per week, more than one post
Minotti				
Presence	Yes	Yes	Yes	Yes
Followers	331k	15,2k	11,5k	64,8k
Only Informative/ Sell	Only informative	Only Informative	Only Informative	Only informative
Information provided	Post + IGTV	Image + short description	Image + short description	Products + News + Articles + Videos + link redirect to the official website
Post Frequency	Once a week, more than one post	2 - 3 times per week	-	2 - 3 per week, more than one post
Flos				
Presence	Yes	Yes	Yes	Yes
Followers	425k	60k	17k	144,5k
Only Informative/ Sell	Only informative	Only Informative	Sell	
Information provided	Post + IGTV	Image + short description	Image + short description	Products + News + Articles + Videos + link redirect to the official website
Post Frequency	Once a week, more than one post	1 per week	-	2 per week
Cassina				
Presence	Yes	Yes	Yes	Yes
Followers	335 k	17,3k	5k	98,9k
Only Informative/ Sell	Only informative	Only Informative	Only Informative	Only informative
Information provided	image+ several IGTV	Image + short description	Image + short description	Image+ short description+ video
Post Frequency	2 - 3 times per week	1 per week	-	Repost of instagram posts with the same frequency
Fendi Casa				
Presence	No	No	No	No
Followers	-	-	-	-
Only Informative/ Sell	-	-	-	-
Information provided	-	-	-	-
Post Frequency	-	-	-	-
Gubi				
Presence	Yes	Yes	Yes	Yes
Followers	536 k	13,8k	9k	25k
Only Informative/ Sell	Sell	Only Informative	Sell	Sell
Information provided	Post + IGTV + Shop	Image + short description	Image + short description	Image+ short description + price
Post Frequency	daily	1 per week	-	Repost of instagram posts with the same frequency
Roche Bobois				
Presence	Yes	Yes	Yes	No
Followers	176 k	22,5k	7 k	-
Only Informative/ Sell	only informative	Only Informative	Only Informative	-
Information provided	post + IGTV	Image + short description	Image + short description	-
Post Frequency	daily	1 per week	-	-
Baxter				
Presence	Yes	Yes	No	Yes
Followers	117k	2k	-	3,6k
Only Informative/ Sell	Only informative	Only Informative	-	Only informative
Information provided	Post + IGTV	Image + short description + link redirect to the official website	-	Image + Short description + link redirect to the official website
Post Frequency	2 - 3 times per week	2 times per week	-	No pattern found; Irregular frequency
B&B Italia				
Presence	Yes	Yes	Yes	Yes
Followers	442k	22,7k	46,4k	118,8k
Only Informative/ Sell	Only informative	Only Informative	Only Informative	Only informative
Information provided	Post + IGTV	Image + short description	Image + short description	Image + Video + short description +
Post Frequency	2 - 3 times per week, more than one post	1 - 2 per week	-	1 - 2 times per week
RH				
Presence	No	Yes	No	No
Followers	-	67,3k	-	-
Only Informative/ Sell	-	Only Informative	-	-
Information provided	-	Only information about the company itself + Link redirect to the official website	-	-
Post Frequency		no posts	-	-

Source: Thesis' Authors, based on secondary research (Information retrieved on the 22nd of November)

Appendix 4 – Digital Channels Benchmark Table

	Social Media			
	Instagram	**Linkedin**	**Pinterest**	**Facebook**
Brabbu				
Presence	Yes	Yes	Yes	Yes
Followers	213k	3,5k	71,6k	81,5k
Only Informative/ Sell	Sell	Only Informative	Only Informative	Only informative
Information provided	Post + shopping feature + Reels + IGTV	Image + short description	Image + short description	Products + News + Articles + Videos + link redirect to the official website
Post Frequency	daily, more than one post	2 - 3 times per week	-	2 - 3 times per week, more than one post
Minotti				
Presence	Yes	Yes	Yes	Yes
Followers	331k	15,2k	11,5k	64,8k
Only Informative/ Sell	Only informative	Only Informative	Only Informative	Only informative
Information provided	Post + IGTV	Image + short description	Image + short description	Products + News + Articles + Videos + link redirect to the official website
Post Frequency	Once a week, more than one post	2 - 3 times per week	-	2 - 3 per week, more than one post
Flos				
Presence	Yes	Yes	Yes	Yes
Followers	425k	60k	17k	144,5k
Only Informative/ Sell	Only informative	Only Informative	Sell	
Information provided	Post + IGTV	Image + short description	Image + short description	Products + News + Articles + Videos + link redirect to the official website
Post Frequency	Once a week, more than one post	1 per week	-	2 per week
Cassina				
Presence	Yes	Yes	Yes	Yes
Followers	335 k	17,3k	5k	98,9k
Only Informative/ Sell	Only informative	Only Informative	Only Informative	Only informative
Information provided	image+ several IGTV	Image + short description	Image + short description	Image+ short description+ video
Post Frequency	2 - 3 times per week	1 per week	-	Repost of instagram posts with the same frequency
Fendi Casa				
Presence	No	No	No	No
Followers	-	-	-	-
Only Informative/ Sell	-	-	-	-
Information provided	-	-	-	-
Post Frequency	-	-	-	-
Gubi				
Presence	Yes	Yes	Yes	Yes
Followers	536 k	13,8k	9k	25k
Only Informative/ Sell	Sell	Only Informative	Sell	Sell
Information provided	Post + IGTV + Shop	Image + short description	Image + short description	Image+ short description + price
Post Frequency	daily	1 per week	-	Repost of instagram posts with the same frequency
Roche Bobois				
Presence	Yes	Yes	Yes	No
Followers	176 k	22,5k	7 k	-
Only Informative/ Sell	only informative	Only Informative	Only Informative	-
Information provided	post + IGTV	Image + short description	Image + short description	-
Post Frequency	daily	1 per week	-	-
Baxter				
Presence	Yes	Yes	No	Yes
Followers	117k	2k	-	3,6k
Only Informative/ Sell	Only informative	Only Informative	-	Only informative
Information provided	Post + IGTV	Image + short description + link redirect to the official website	-	Image + Short description + link redirect to the official website
Post Frequency	2 - 3 times per week	2 times per week	-	No pattern found; Irregular frequency
B&B Italia				
Presence	Yes	Yes	Yes	Yes
Followers	442k	22,7k	46,4k	118,8k
Only Informative/ Sell	Only informative	Only Informative	Only Informative	Only informative
Information provided	Post + IGTV	Image + short description	Image + short description	Image + Video + short description +
Post Frequency	2 - 3 times per week, more than one post	1 - 2 per week	-	1 - 2 times per week
RH				
Presence	No	Yes	No	No
Followers	-	67,3k	-	-
Only Informative/ Sell	-	Only Informative	-	-
Information provided	-	Only information about the company itself + Link redirect to the official website	-	-
Post Frequency		no posts	-	-

Source: Thesis' Authors, based on secondary research (Information retrieved on the 22nd of November)

Appendix 5 - Interview Guide for Professionals

Good afternoon and thank you for accepting our invitation. My name is (Thesis Authors names), I am a student at NOVA School of Business and Economics. I am doing a research on the Luxury Interior Design sector for my Master Thesis and for this purpose I will ask you some questions. This will not be a standard questionnaire but more like a conversation. So, after the first question that I will introduce shortly, you will be free to tell me whatever comes to your mind on this subject.

The interview will have a duration of approximately 30 minutes, and I would like to ask for your permission to record this interview, however your answers will stay anonymous and confidential.

Section 1: Journey

Could you please share with me a bit about your experience as an Interior Designer/ Architect of Interiors (guidelines: how many years of experience, biggest projects, etc)?

Initial Question: Could you please recall the last project that you developed for a client. Did you make some recommendations in terms of Interior Design brands and products? Are there brands that you knew before or was it the first time you recommended those brands/products?

Topics to be developed:

- Main challenges
- Selection of brand(s) (Selection criteria)
- Purchase decision-making
- Partnerships with brands (how it works)

Section 2: Brands

1) Regarding brand X (brand mentioned in section 1), could you please tell me what made you choose this brand?

2) Besides brand X, that you already mentioned, which other(s) brand(s) do you usually work with? Why?

3) Do you have any other(s) brand(s) that you would have interest to work with? Why?

Section 3: Made-In Portugal

1) Do you take into consideration the origin of the product?

1.1) What countries do you associate with the best design for Interiors?

2) (If Portugal was not mention in the previous question) What do you associate with the Portuguese Interior design?

2.2) What do you associate with the Portuguese Craftmanship?

Section 4: Purchase and Research Channels

1) Regarding the purchase channel, where do you usually buy the products for your projects?

Scenario 1: If the respondent answered the offline channel, such as stores, showrooms, tradeshows, factories, and so forth:

1.1) Why do you prefer to buy those products offline?

1.2) Have you ever considered to purchase any product online?

i. If the respondent says Yes: Try to understand the obstacles to not buy more usually online

ii. If the respondent says No: Try to ask why the person does not consider the online channel as a resource?

Scenario 2: If the respondent answered the online channel:

1.3) What is the name of the website(s)? Why do you prefer this channel?

1.4) Is it necessary for you to see the product in-store before you purchase it online?

2) Before you purchase any product, where do you search for information?

Section 5: Concept testing

The last part of the interview consists in a Concept Testing, so I would like to ask you to imagine the following scenario, by looking at the Presentation that I currently am sharing:

Imagine we provide you an Online Platform where you would have ***several design brands with everything necessary to decorate all sections of the house****, from case-goods like sofas, tables, beds to soft-goods like pillows, candles and plants. All products would have a* ***full description alongside an explanatory video*** *of the making off from the design draft, production, until the finish product. Moreover, you would be able to* ***fully customize the products,*** *meaning that you would be able to define size, colour, patterns, fabrics, finishes.*

The platform would include a ***Sorting feature*** *that, according to your answers, it would suggest 5 products that best fit your wishes. Some questions would be: 1- For which House division you*

are looking for (ex: bedroom, living room, bathroom, kitchen, ...); 2- What is the Product (ex: beds, sofas, sideboards, lightening, ...); 3- Are you looking for specific fabrics or colours? A ***photo scan research*** *would also be a complement of this platform, where you would have the possibility to take a photo of a product and upload it on the website. Automatically look-a-like products would be suggested, so that you can easily reach out the product you are looking for. Furthermore, you would be provided with a* ***support system throughout the process with a live chat with the Sales Team support****, so that if you need any further information, such as a 3D image of the product or samples of the fabrics. Additionally, this platform would include a* ***Community space*** *where professionals and connoisseurs of this industry could share their testimonials, attend to podcasts and live sessions among Designers.*
Last but not the least, you could benefit from a ***Membership program*** *that would allow you to access to Pre-order of limited collections and secret sales; Exclusive Events Invitations (ex: Launch of new products) and Masterclasses with well-known professionals of this area.*

1) Bearing in mind the concept board that I have just presented to you, what do you think about it? Do you think it would add value to your professional life?
2) How often and in which circumstances you would use this platform?
3) Would you like to have an **Explanatory video** of how the item was created, from the design to the final finishing? How would this impact your buying decision, if at all?
4) Would you be interested in buying products from a **Capsule collection of collaborations** with well-known artist/interior designers in this Platform (ex. Joana Vasconcelos)?
5) What about having the feature of the **Membership program**, do you feel you would benefit from it?
6) How do you feel about the **Sorting** feature? Would it help you searching for products?
7) Would you take advantage of the **Photo scan research**?
8) What other features would help you to use the platform in a more effective way
   a. Which further information would you need available on the website so that you could purchase the product immediately without needing to see it physically?

9) Imagine now that <u>all the brands available on the website are Portuguese</u>. How would you feel about that?

10) Which Portuguese brands would you like to see in the marketplace?

<u>Section 6: Demographics</u>

a) Country of Residence

b) Years of experience
c) Occupation (Independent or part of a large company)
d) Number of projects per year (in average)
e) Type (residential, hotel, etc.) projects per year
f) Gender
g) Age Range

18-24 years old

25-34 years old

35-44 years old

45-54 years old

55-64 years old

65-74 years old

Appendix 6 – Professional Demographics

	Value	Percentage
Gender		
Female	11	61%
Male	7	39%
Age Range		
25 - 34	3	17%
35 - 44	3	17%
45 - 54	6	33%
55 - 64	6	33%
Country of Residence		
Portugal	11	61%
Italy	2	11%
Germany	1	6%
Dubai	1	6%
Angola	1	6%
USA	1	6%
Brazil	1	6%
Years of experience		
less than 8	3	17%
8 - 16	6	33%
17 - 25	3	17%
26 - 33	3	17%

34 - 40	3	17%
Occupation		
Independent	8	44%
Owner of an atelier	8	44%
Part of a company	2	11%
Type of projects		
Residential	4	22%
Hotel, restaurants, shops	2	11%
All	12	67%

Source: Thesis' Authors, based on primary data from In-Depths Interviews

Appendix 7 - Pre-Recruiting Questionnaire for Final Consumers

(English Version)
We are a group of students from NOVA School of Business and Economics. We are conducting a research on the Luxury Interior Design sector for our Master Thesis, and we are currently looking for people who have bought recently a furniture product.
Thank you for your collaboration in advance.

(Portuguese version)
Somos um grupo de alunas de Mestrado da Nova School of Business and Economics. No âmbito da nossa tese, estamos a realizar uma pesquisa de mercado sobre Design de Interiores de Luxo/Decoração, pelo que estamos à procura de pessoas que tenham comprado, recentemente, um produto de decoração.
Agradecemos, desde já, a sua disponibilidade.

1st Filter question/ 1ª Questão de filtro
(English version) Have you built, moved, redecorated any place or purchased a furniture item in the last 5 years? /
(Portuguese version) Construiu, redecorou alguma divisão ou comprou alguma peça de decoração, nos últimos 5 anos?

YES [continue to the next question] /Sim [continua para a próxima questão)
NO [End of the survey] /Não [Fim do questionário]

2nd Filter question/ 2ª Questão de filtro
(English version) Please select the scenario that fits you the most/
(Portuguese version) Por favor, selecione o cenário que melhor se adequa a si:

A. (English version) I took care of the project by myself (high involvement) [goes to the 4th question] /
(Portuguese version) Eu geri todo o projecto sozinho(a) (nível de envolvimento elevado) [continua para a questão 4].

B. (English version) I consulted an Interior Designer to help me with the project (medium involvement) [goes to the 4th question] /

(Portuguese version) Eu consultei um Designer de Interiores/ Decorador(a) para me ajudar com o projecto (Nível de envolvimento médio) [continua para a questão 4].

C. (English version) I hired an interior designer to deal with the project (low involvement) [Continue to the next question] /
(Portuguese version) Eu contratei um/a Designer de Interiores/ Decorador(a) para gerir o projecto (nível de envolvimento baixo) [Continua para a próxima questão].

<u>3rd Filter Question/ 3ª Questão de filtro</u> (ENG: Exclusive for low- involvement respondents/ PT: exclusiva aos respondentes com nível de envolvimento baixo)

(English version) Could you please provide the name and contact information of the Interior Designer? /
(Portuguese version) Pode, por favor, partilhar o nome e contacto do seu Designer de Interiores/ Decorador(a)?

<u>4th Filter question/ 4ª Questão de filtro</u>
(English version) Please select the affirmation that fits you the most: /
(Portuguese version) Por favor, selecione a afirmação que melhor se adequa a si:

A. (English version) I am passionate about Interior Design. I often read magazines and newsletters on this topic [goes to the next question] /
(Portuguese version) Eu adoro Design de Interiores/Decoração. Eu regularmente leio revistas e notícias sobre este tópico. [continua para a questão 4]

B. (English version) Occasionally I search for Interior Design inspiration (for example on pinterest) [goes to the next question] /
(Portuguese version) Ocasionalmente procuro inspiração de Design de Interiores (por exemplo no Pinterest). [continua para a questão 4]

C. (English version) I am not interest in the interior design subject. /
(Portuguese version) Eu não me interesso por Design de Interiores/Decoração.
[End of the survey] / [Fim do questionário]

<u>5th Filter question/ 5ª Questão de filtro</u>
(English version) From the following brands, please select the one(s) from which you already purchased or considered to purchase at least one product:/
(Portuguese version) Da seguinte lista de marcas, por favor, selecione a(s) marca(s) que já comprou ou considerou comprar pelo menos um produto:
(name + logo of the brand)

- Maison Valentina
- Baxter
- Boca do Lobo
- Rug'Society
- Minotti
- Circu
- Brabbu
- Fendi Casa

- Essential Home
- Armani Casa
- Roche Bobois
- Tucker Robbins
- Nilufar
- Restoration Hardware
- Homes in Heaven
- Las Kasas
- Luxxu
- Caffelatte
- Delightful
- Bentley Home
- Rugiano
- Home Philosophy Visionnaire
- Cappellini
- Fratelli Boffi
- Giorgetti
- Trussardi Casa
- SELVA
- Frato
- Porcelanosa
- None of the above [Eng: End of the survey/ PT: Fim do questionário]

Demographics and contact information/ Dados pessoais e contacto:

- Country of residence/ País de residência
- Age category /Age
- Name/Nome
- E-mail adress or phone number/ Contacto telefónico e de e-mail

Appendix 8 - Interview Guide for Final Consumers

Good afternoon and thank you for accepting our invitation. My name is (Thesis Authors names), I am a student at NOVA School of Business and Economics. I am doing a research on the Luxury Interior Design sector for my Master Thesis and for this purpose I will ask you some questions. This will not be a standard questionnaire but more like a conversation. So, after the first question that I will introduce shortly, you will be free to tell me whatever comes to your mind on this subject.

The interview will have a duration of approximately 30 minutes, and I would like to ask for your permission to record this interview, however your answers will stay anonymous and confidential.

Section 1: Journey

Initial Question: Could you please recall the last time you bought a furniture product for your home either with the advice of an Architect/ Interior Designer or alone. Would you please describe me the experience?

Topics to be developed:

- Purpose of the purchase
- Channel (Online/in-store)
- Consideration set
- Selection criteria
- Chosen brand
- Main challenges

Section 2: Brands

1) Regarding brand X (brand mentioned in section 1), could you please tell me what made you choose this brand?

2) Besides brand X ((brand mentioned in section 1), that you already mentioned, which other(s) brand(s) do you have already bought? Why?

3) Do you have any other(s) brand(s) that you aspire to have in your home? Why?

Section 3: Made-In Portugal

1) Do you take into consideration the origin of the product?

1.1) What countries do you associate with the best design for Interiors?

2) (If Portugal was not mention in the previous question) What do you associate with the Portuguese Interior design?

2.2) What do you associate with the Portuguese Craftmanship?

Section 4: Purchase Channels

1) Regarding the purchase channel, where do you usually buy the products for your projects?

Scenario 1: If the respondent answered the offline channel, such as stores, showrooms, tradeshows, factories, and so forth:

1.1) Why do you prefer to buy those products offline?

1.2) Have you ever considered to purchase any product online?

i. If the respondent says Yes: Try to understand the obstacles to not buy more usually online

ii. If the respondent says No: Try to ask why the person does not consider the online channel as a resource?

Scenario 2: If the respondent answered the <u>online channel</u>:

1.3) What is the name of the website(s)? Why do you prefer this channel?

1.4) Is it necessary for you to see the product in-store before you purchase it online?

2) Before you purchase any product, where do you search for information?

<u>Section 5: Concept testing</u>

The last part of the interview consists in a Concept Testing, so I would like to ask you to imagine the following scenario, by looking at the Presentation that I currently am sharing:

Imagine we provide you an Online Platform where you would have ***several design brands with everything necessary to decorate all sections of the house****, from case-goods like sofas, tables, beds to soft-goods like pillows, candles and plants. All products would have a* ***full description alongside an explanatory video*** *of the making off from the design draft, production, until the finish product. Moreover, you would be able to* ***fully customize the products,*** *meaning that you would be able to define size, colour, patterns, fabrics, finishes.*

The platform would include a ***Sorting feature*** *that, according to your answers, it would suggest 5 products that best fit your wishes. Some questions would be: 1- For which House division you are looking for (ex: bedroom, living room, bathroom, kitchen, ...); 2- What is the Product (ex: beds, sofas, sideboards, lightening, ...); 3- Are you looking for specific fabrics or colours?. A* ***photo scan research*** *would also be a complement of this platform, where you would have the possibility to take a photo of a product and upload it on the website. Automatically look-a-like products would be suggested, so that you can easily reach out the product you are looking for. Furthermore, an* ***Augmented Reality*** *feature would be available so that you can test the dimensions of the division for where you are looking for products, as you can see on the examples provided. In order to help you with the project, you would be able to request* ***an Interior Design service*** *directly on the website.*

Besides what I have presented up to know, you would be provided with a ***support system throughout the process with a live chat with the Sales Team support****, so that if you need any further information, such as a 3D image of the product or samples of the fabrics. Additionally,* *this platform would include a **Community space** where professionals and connoisseurs of this industry could share their testimonials, attend to podcasts and live sessions among Designers. Last but not the least, you could benefit from a **Membership program** that would allow you to access to Pre-order of limited collections and secret sales; Exclusive Events Invitations (ex: Launch of new products) and Masterclasses with well-known professionals of this area.*

1. Bearing in mind the concept board that I have just presented to you, what do you think about this concept? Do you think it would add value to your life?
2. How often and in which circumstance you would use this platform?
3. Would you like to have an **explanatory video** of how the item was created, from the design to the final finishing? How would this impact your buying decision, if at all?
4. Would you use the feature of the **Augmented Reality** service?
5. Would you be interested in buying from a **capsule collection of collaborations** with well-known artist/interior designers in this Platform (ex. Joana Vasconcelos)?
6. What about having the feature of the **Membership program**, do you feel this is an advantage for your professional life?
7. How do you feel about the **Sorting feature**? Would it help you searching for products?
8. Would you take advantage of the **Photo scan research**?
9. What is your opinion about the **Interior Design request**? Would you use it?
10. What other features would help you to use the platform in a more effective way
    a. Which further information would you need available on the website so that you could purchase the product immediately without needing to see it physically?
11. Imagine now that all the brands available on the website are Portuguese. How would you feel about that?
12. Which Portuguese brands would you like to see in the marketplace?

<u>Section 6: Demographics</u>

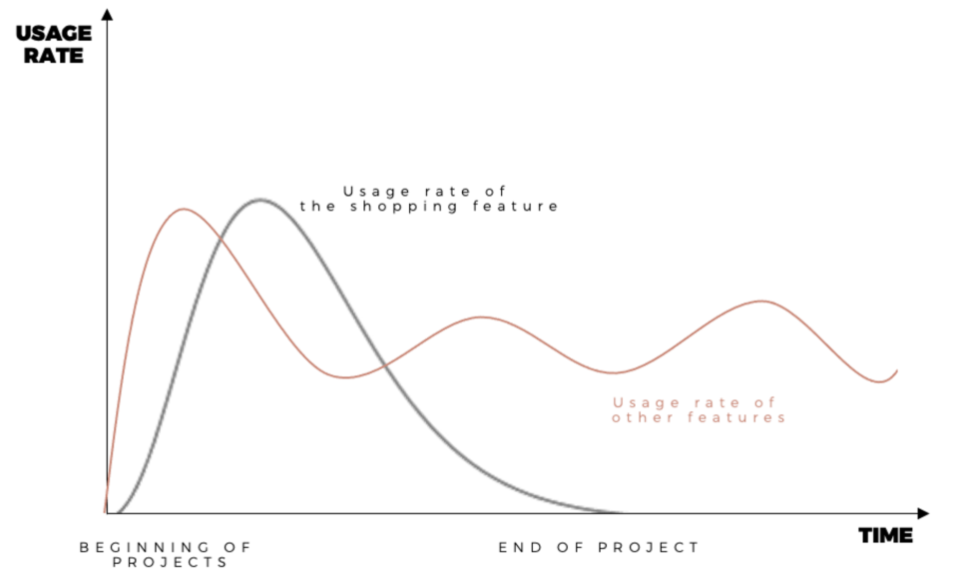
a) Number of people who live in the household
b) Occupation
c) Level of education
d) Gender
e) + demographics of the pre-recruiting

Appendix 9 – Final consumer Demographics

	Value	Percentage
Gender		
Female	6	35%
Male	11	65%
Age Range		
18 - 24	3	18%
25 - 34	5	29%
35 - 44	1	6%
45 - 54	3	18%
55 - 64	5	29%
Country of Residence		
Portugal	7	41%
Italy	1	6%
Spain	2	12%
Dubai	1	6%
France	2	12%
USA	1	6%
Brazil	1	6%
Armenia	1	6%
Netherlands	1	6%
Level of Education		
High School Degree	2	12%
Undergraduate/Bachelor Degree	5	29%
Master / Post Graduation Degree	10	59%
Occupation		
Student	2	12%
Employee	5	29%
Self-employed	7	41%
Retired/Unemployed	1	6%
Stay-home Parent	2	12%
Household		
Family	11	65%
Couple	4	24%
Single	2	12%

Source: Thesis' Authors, based on primary data from In-Depths Interviews

Appendix 10 - Theoretical Graph of Platform consumption over time (B2B)



Source: Theoretical Graph created by Thesis' Authors based on primary data from the Semi-Structured In-Depth Interviews

Appendix 11 – Findings from Professionals regarding the Concept Board

		Main Insight	Quotes	Evidence*
Explanatory Video	**Positive**	This feature might help respondents to understand the product characteristics better as well as inferring its quality. Since this impacts their overall perception of the product value proposition, their purchasing decision might be positivity influenced. Moreover, this might be seen as a differentiator factor as it conveys a strong storytelling about the brand and the product.	*"This video would be very good to discuss with clients and to convince them about the products."* (M, Dubai, Interior and Product Designer, 7 years of experience) *"To show the manufacturing method, the whole history of the product, the charm of the product is to tell a story, which is why it also helps us a lot to tell that story and give arguments to the customer to buy the product."*(F, Portugal Interior Designer, 3 years of experience)	**Strong**
	Negative	Contrary, it might also be perceived as a distortion of reality or a marketing tool that would not reflect the real working conditions	*"For me personally it's really not important, because I'm not sure if I then believe that they really produce it like that or if it was just for the cameras"* (M, Germany, Interior Designer, 8 years of experience)	**Medium**
Capsule Collection	**Positive**	Some respondents showed interest on buying from a capsule collection, if the design and style would fit what they were looking for.	*"It would be great to have capsule collections and limited editions since sometimes it's very hard to find them in-store and in*	**Medium**

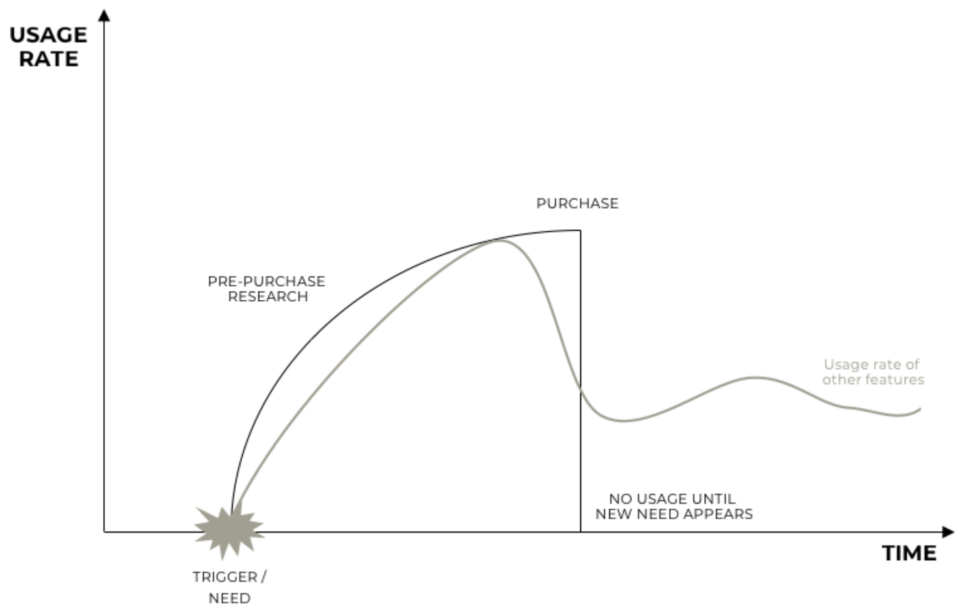
			other websites." (F, Portuguese, Interior Designer, 12 years of experience)	
	Negative	Nevertheless, as the collaborations would also be with interior designers, some respondents would not be interested in buying from these collections as it would be direct competition.	*"If the collaboration is with an interior designer, no, because it turns out to be competition, even if indirect. When you do a project, you want to have your name on it, and if you include those pieces you end up also having the name of another interior designer."* (F, Portugal, Interior Designer, 3 years of experience)	**Strong**
Membership Program	**Positive**	The membership program is perceived as being beneficial for creating long-lasting relationships. The advantage of having access to Masterclasses was specifically referenced as a benefit for the respondents, since there is a lack of offer for this type of content in the market.	*"I love the idea of the masterclasses, in fact there is a platform only for master classes where I saw the classes on interior design with Kelly Wearstler and when I finished those, I wanted to see more and there was no more classes on interior design. So I think it's a great idea, since there's a lack of offer in the market! I would definitely enjoy these classes!"* (F, Portugal, Interior Designer, 3 years of experience)	**Medium**
	Negative	Respondents were not sure if they would be able to benefit from all the advantages of this program due to time restrictions.	*"The membership Program is really interesting, but I don't know if I have the time for that."* (M, Germany, Interior Designer, 8 years of experience)	**Strong**
Sorting Feature	**Positive**	This feature was described by the respondents as a time-saving and user-friendly feature as it makes easier to search for products according to the chosen house division.	"*It´s amazing because I decide each project based on which divisions I have to furnish, for instance if it is a Master bedroom, I look for some products, that I don't search when I am furnishing a guest bedroom.*" (M, Dubai, Interior and Product Designer, 7 years of experience)	**Strong**
	Negative	No downside was directly mentioned for this feature.	**-**	**Medium**
Photo scan research	**Positive**	As this feature would solve a problem that respondents face during their professional life (which is to find where they can purchase products that they have seen in inspiration images), this feature would speed up this research process as it takes much longer when done manually.	"*Sometimes we find something on Pinterest, but it takes us quite some time to figure out where that piece is from. Maybe if we use that platform with the photo scan it would be faster and easier."* (F, Portugal, Interior and Product Designer, 35 years of experience)	**Strong**

			"This feature is very interesting and practical to use mainly when the customer requires one specific product." (F, Portugal, Interior Designer, 15 years of experience)	
	Negative	Others found that this feature is like the one that Pinterest offers and therefore it would not bring much added value.	*"If it's similar, I think it ends up being a bit redundant because that's what Pinterest already does."* (F, Portugal, Interior Designer, 3 years of experience)	**Medium**
Only Portuguese brands	**Positive**	Many **Portuguese respondents** found the idea of having only Portuguese brands a differentiator factor, as there is no similar platform in the existing market. Moreover, it would be a way to create a brand around Portugal and the Portuguese design. **Non-Portuguese respondents** are insured of the quality of Portuguese brands, and therefore would not mind having an offer of Portuguese brands. They believe it would be an opportunity to exporting and give more worldwide visibility to the Portuguese talents.	**[PT]** *"I find it super interesting because there are so many good designs in Portugal, and it would be a way to create a brand around Portugal and the Portuguese design."* (F, Portugal, Interior and Product Designer, 35 years of experience) **[NON-PT]** *"There would be no problem. In terms of quality, I don't see any impediment, Portugal's fame is quite good. It is more a matter of knowing products and brands. But I think it would be a good way to show the world the strong Portuguese brands."*(M, Italy, Interior Designer, 32 years of experience) *"I think it would be good for Portuguese brands and it would be good to get to know new brands."* (M, USA, Interior and Product Designer, 20 years of experience)	**Strong**
	Negative	On the other hand, some insights were collected both from non-Portuguese and Portuguese respondents, that this might be a limitative factor in terms of product offer. Some non-Portuguese respondents were not familiarized with Portuguese brands and therefore, for those	**[PT]** "*I don't know if it would be a little reductive. I think that made-in is of vital importance, however the Portuguese do not give absolute priority. That is why I suggested having a large channel of Portuguese brands but not being exclusively Portuguese.*" (F, Portugal, Interior Designer, 40 years of experience) **[NON-PT]** *"Honestly, I wouldn't buy them, not because I have a*	**Medium**

		respondents, it would be hard to spend a great amount of money in an unknown brand.	*prejudice against Portuguese products, but because I know nothing at all about them, I wouldn't spend that much money in something I never heard before!"* (M, Italy, Interior Designer, 13 years of experience)	

Source: Thesis' Authors, based on primary data from the Semi-Structured In-Depth Interviews

Appendix 12 - Theoretical Graph of Platform consumption over time (B2C)



Source: Theoretical Graph created by Thesis' Authors based on primary data from the Semi-Structured In-Depth Interviews

Appendix 13 – Findings from Final Consumers regarding the Concept Board

		Main Insight	Quotes	Evidence*
Explanatory Video	**Positive**	Respondents were fond of this feature as it highlights the authenticity and transparency, since consumers are able to	*"I think it's a very good idea because consumers are demanding more and more transparency from brands, so I think it's super important if you are transparent with your*	**Strong**

		infer about working methods and conditions. Moreover, it helps clients to create a brand perception, when brands are unknown. As this feature impacts their overall perception of the **product value proposition** and therefore, their purchasing decision might be positivity influenced.	*customers and share all this information and in a video format it's always easier to follow and I think it really brings out authenticity to your brand and it can really enhance customer loyalty"(F, Spain, 23 years old, Student)* *"Moreover, by explaining everything related to the product, it helps the brand justifying the price because customers know exactly everything about the product.*" (*M, Portugal, 25 years old, Employee)*	
	Negative	On the other hand, some respondents felt that this feature might not bring much added value for those consumers who already have a good brand perception. Furthermore, some respondents feel that the production process is not relevant for their selection criteria, and therefore do not see the added value in this feature.	*"If it is a company that I already know and that is a reference company there is no need to prove the quality of the product." (M, Portugal, 57 years old, self-employed)* *"The video does not add much value because for me the production process is not important." (M, Portugal, 62 years old, Self-employed)*	**Medium**
Capsule Collection	**Positive**	Some respondents showed interest in buying from a capsule collection, if the design and style would fit what they were looking for. Moreover, respondents assumed that they would buy mainly if products belong to exclusive collections.	*"I would love to, because it would be very exclusive and I would know that not a lot of people would have that item in their home. And also because you're contribution to one person, someone who had this idea and put a lot of effort and work into it." (F, Netherlands, 23 years old, Student)*	**Strong**
	Negative	No downside was directly mentioned for this feature.	-	**Strong**
Membership Program	**Positive**	The membership program is perceived as being beneficial, as it nourishes the relationship between both parts since consumers like to be recognized for their loyalty relationships. Consumers were especially interested in the possibility to access masterclasses	*"The membership adds much value to the relationship with the customer. For me these rewards nourish the relationship between both parts." (M, Portugal, 25 years old, Employee)* *"I would love to access the masterclasses, I think that's really thoughtful for proplr who are interested in this topics." (F, Spain, 23 years old, Student)*	**Strong**

	Negative	On the other hand, some consumers do not appreciate this type of programs as they perceive it as an invasive marketing tool (spam)	*"It's good to create a relationship with its most loyal consumers, personally I think I wouldn't benefit from it because I'm not that of an interior designer enthusiast." (M, Armenia, 23 years old, Employee)*	**Strong**
Sorting Feature	**Positive**	This feature is described by the respondents as a time-saving and convenient as it makes it. Easier and faster tool to sort and search for products	*"Yes, definitely. because it's filters out information and usually people don't have time to search in the whole catalogue for the specific thing they're looking for and this is help some sort out information." (F, Spain, 23 years old, Student)*	**Strong**
	Negative	No downside was directly mentioned for this feature.	-	**Medium**
Photo scan research	**Positive**	Respondents perceived this feature as disruptive and time-saving, mainly when they are looking for a specific product. For respondents this feature would be very useful during the pre-purchase research.	*"The photo scan feature is really cleaver because it happens so many times that you find something you like but then you don't know where to buy it." (F, Netherlands, 23 years old, Student)*	**Strong**
	Negative	Some respondents highlighted that they would use this feature only if it was very user-friendly.	*"Yes, I really found it very interesting and I think I would use it. However it would have to be something easy to use and intuitive, because sometimes it seems to me that these things are not very simple." (F, Portugal, 55 years old, Stay Home Parent)*	**Weak**
Interior Designer Service	**Positive**	Respondent's would use this service for more complex projects, in which they have the need for additional support. Moreover, some respondents prefer to hire an interior designer, when they feel they do not have the set of skill to create a great atmosphere and environment.	*"For instance if I would be moving to a new place that I bought, I would definitely consider using an interior designer because I would like to have the vision of a professional to help me put, what will be my home, together nicely" (M, USA, 29 years old, Employee)* *"I would use this service to help me create the project. Because I would need some support and ideas generation. I would suggest either some professionals that belong to the brands or create some partnerships with others to help the customer. This service could be paid but at a fair price, not those expensive prices that sometimes some*	**Medium**

			Designers charge us. This would allow young generations to use one professional but that at the moment cannot afford because they are too expensive" *(M, Portugal, 31 years old, Self-employed)*	
	Negative	Nevertheless, there are already many respondents who possess their own networking of interior designers and therefore, would not use this service.	*"Probably not, because I have some friends who are designers here in Spain, and so I would talk to them first."* *(M, Spain, 27 years old, Unemployee)*	**Strong**
Augmented Reality	**Positive**	Some respondents assumed that this feature would influence their buying decision since it works as a guidance in terms of space and dimensions. By having a more visual perception of the product within the division, online shopping barriers would be minimized.	*"Yes, totally because then you get a better hold of how it would look like in your space which is the most important, at the end the furniture is going into your place and not like a showroom. So it's super important to visualize how it would fit in your space."* *(F, Spain, 23 years old, Student)*	**Strong**
	Negative	On the other hand, some respondents would use this feature for just a trial, rather than using it each time they wanted to purchase a product because it would be time-consuming. Moreover, this one might not influence as much the purchase decision.	*"From a business perspective it's a really nice idea, because it will be innovative and it's the future, but personally I don't think I would use this for now. Like I would use it once, like to play with this feature and to see how it works, but for the moment I think I wouldn't use it that often!"* *(M, Armenia, 23 years old, employee)* *"I would still need to see it in person to try it out. I mean, my problem is not idealizing the concept and seeing if it fits in my living room. That I already know. It's more about to experiencing the product, sitting on it, seeing the light in different scenarios and see how it illuminates the room etc."* *(M, Portugal, 57 years old, self-employed)*	**Strong**
Only Portuguese brands	**Positive**	Many Portuguese respondents appreciate this idea as they like to promote what is national. Moreover, they found the idea of having only Portuguese brands a differentiator factor,	***[PT]*** *"I think it is a very good idea. Portugal has many good brands that need to have a boost on their visibility worldwide, so this platform would help them a*	**Strong**

		as there is no similar platform in the existing market. Furthermore, it help smaller brand get their reputation and worldwide presence Non-Portuguese respondents are insured of the quality of Portuguese brands and therefore would not mind having an offer of Portuguese brands. They believe it would be an opportunity to export and give more worldwide visibility to the Portuguese brands. Moreover, non-Portuguese respondents would also be more open to this idea after the covid-19 pandemic, since now their priority is to support local brands.	*lot."* *(M, Portugal, 25 years old, Employee)* *"With a promotion of what is done in Portugal it would be a very powerful way to create and capture value, because it is not only useful, given the functionalities for the user, as it promotes the products that are there and who makes them."* *(F, Portugal, 50 years old, Self-employed)* ***[NON-PT]*** "*Well, for me this is very good because it is time for people from other countries to know what Portuguese design and know-how. This is very important to be shown.*" *(M, France, 51 years old, Self-employed)* *"Being Italian, I would always go for local brands at this moment due to Covid-19 situation. But in the future, I would like to get to know deeper Portuguese brands through this platform"* *(F, Italy, 60 years of old, Self-employed)*	
	Negative	On the other hand, we got some insights, both from non-Portuguese and Portuguese respondents, that this might be a limitative factor in terms of product offer. Some non-Portuguese respondents believe that Portuguese brands have low visibility and therefore, it would be hard to spend a great amount of money in an unknown brand.	**[PT]** *"I think only Portuguese brands would be limitative to some markets. I think Portugal has high potential; however I think that this type of clients value more offer from different brands."* *(M, Portugal, 31 years old, self-employed)* **[NON-PT]** *"As a starter I think only Portuguese brands is a good idea, but in the future it should include brands from other countries."* *(M, Dubai, 28 years old, self-employed)* *I guess and I would struggle buying stuff for it huge amount of money from something that I never heard about."* *(M, USA, 29 years old, employed)*	**Strong**

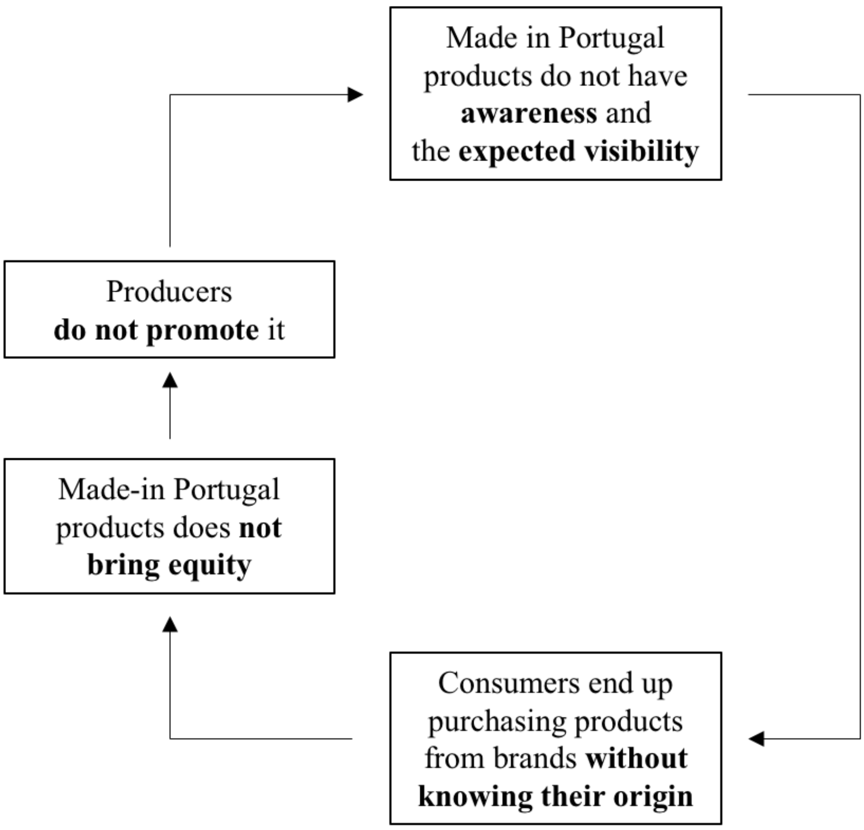
Source: Thesis' Authors, based on primary data from the Semi-Structured In-Depth Interviews

Appendix 14 - Groups distinguished by Brand's "Made in" disclosure

Groups	Online platforms	Production declaration in heritage countries
Group 1- **Full disclosure**	**X**	**X*** *in all products
Group 2- **Half-full disclosure**	**X**	**X**** **only for high-end products
Group 3- **Half disclosure**	**-**	**X***** ***only for some products
Group 4- **No disclosure**	**-**	**-**

Source: Thesis Author

Appendix 15 - Made in Portugal invisibility trap



Source: Thesis Author